

Box and Pop Hits

Stratos Opener

and Streisand's opening con-

cert something of a political

show Washington, as she sang

"Days Are Here Again"

in several streets (including pic-

tures of President Bill Clinton with

friends and a photo of South

Africa's new president, Nelson

Mandela). She also took some ph-

otos to a room of approvals

and also sang her hits again-

ed by Thomas Jefferson's men.

Monticello.

Office found Willie Nelson

at his Mercedes-Benz shop

on Route 202 in New Jersey

and time on a motorcycle

after finding the boy in a

61-year-old country house

in the country jail in New

Jersey where he posted bail. Now

at the incident "a part of me."

John Bobbit, whose wife, La-

uren, has left him, was

arrested in Las Vegas

on Feb. 19, after he was arrested

and held police said he had

around in the couple's ap-

artment. Bobbit is free on \$7,000

and is seeking counseling.

Less than two months after

adding to Jerome Thomas, 31,

to Drew Barrymore, 19, half

divorce — into enter-

tainment

and Abigail, 31, who is call-

ing her ex-husband's name

"Eduardo Esteban," 32,

the times they are a-chang-

ing.

The bond market and some economists, however, have reacted as if the august institution had thrown its credibility to the wind by cutting official interest rates months before high inflation and money supply figures settle back to desired levels.

Critics cited a 20 percent rise in benchmark German government bond yields since the beginning of the year as tangible evidence that markets question the Bundesbank's ability to control the factors that might fuel inflation several years from now.

If that risk becomes reality, they say, the Bundesbank's recent interest rate cuts will jeopardize Germany's traditional reputation as the gravitational center dictating monetary stability throughout Europe.

To be sure, lots of experts attribute rising bond yields to external factors and believe that the Bundesbank can still be trusted to do what is best for Germany.

"We think they are aware of the risks," said Gert Gmünden, a German economist at Salomon Brothers in London.

Nevertheless, it is natural to expect that the Bundesbank's current policy of cautiously cutting interest rates entails some dangers, and investors are therefore right to be wary, economists said.

Mr. Thumann, a former German Finance Ministry official, said the Bundesbank's wager that lowering short-term interest rates would encourage investors to put their money in non-inflationary, longer-term assets was "a credible hypothesis" but also contained a considerable number of pitfalls.

The Bundesbank concluded in April that it had to raise the opportunity cost of holding cash after enduring months of criticism that its own tight policy had distorted its chief barometer of inflation, the M-3 money supply. It used the same argument on Wednesday to defend its half-percentage point cuts in the discount and Lombard rates to their lowest levels since 1989.

"Under the prevailing conditions, we believe — contrary to before — that we can better get these funds to move to long-term investments by lowering short-term interest rates," a Bundesbank spokesman said Thursday, explaining the central bank's new conviction.

But no one — including the Bundesbank — knows how far yields on short-term invest-

See GERMAN, Page 12

## Kiosk

## German Thugs Battle Turks

MAGDEBURG, Germany (AP) — Rightist extremists on a "hunt for foreigners" stormed Turkish-run food stands on Thursday, and the Turks fought back.

The melee was among the most violent involving an attack on foreigners in post-unification Germany and the worst for Magdeburg, a state capital 120 kilometers west of Berlin. "The rightists radicals were out on a hunt for foreigners," said Burkhardt Jach, a police spokesman. Later, about 50 neo-Nazis were arrested after going on a rampage in the city center.

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Dow Jones  
Up  
3652.84  
The Dollar  
Up  
111.10  
New York  
There close  
1.6683  
DM  
1.4988  
Pound  
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Yen  
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Trib Index  
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France ..... 1.4988 Senegal ..... 9.00 CFA  
Gabon ..... 1.4988 Spain ..... 200 PTAS  
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Italy ..... 2.00 Dr. Tunisia ..... 1.00 Dm  
Ivory Coast ..... 1.4988 Turkey ..... T.L. 35,000  
Jordan ..... 1.4988 U.S.A. ..... 1.4988 Dm  
Lebanon ..... US\$ 1.50 U.S. Mil. (Euro) \$1.10

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No. 34,587

Paris, Friday, May 13, 1994

## Worst of Roller Coaster Seems Over for Dollar

By Alan Friedman

*International Herald Tribune*

PARIS — For weeks now the world's money men have watched with almost macabre fascination as the dollar has slipped and stumbled against the currencies of Germany and Japan.

Explaining the weakness of the dollar, which dropped as low as 100.60 yen on May 1, has occupied a small army of economists. Many have concluded that the dollar's slump, in part, reflected the huge flows of investment funds back to Japan — and out of the United States, where they had piled up in the 1980s.

Despite the rise in U.S. interest rates since February, when the Federal Reserve signaled its shift to tighter monetary policy, the inflation-adjusted level of U.S. rates has not proved attractive enough to lure foreign money.

Finally, the currency market had been con-

vinced — until just a few days ago — that the U.S. administration was happy to see the yen appreciate against the dollar as a weapon designed to force the Japanese government into trade concessions.

The dollar's roller-coaster ride brought it perilously close to a record low against the yen

## NEWS ANALYSIS

and saw it lose considerable ground to the Deutsche mark late last month before 17 of the world's leading central banks launched coordinated action in an effort to reverse its downward trend.

Now, the currency market appears to have finally entered what many economists believe to be a slow-motion turn that should lead to a stabilization of the dollar's value. Although more trading volatility, even turmoil, is possible

in the short-term, there are several factors that suggest that the dollar has begun to bottom:

• The central bank interventions of April 29 and May 4, which cost some \$3 billion, have been accompanied by unusually explicit statements by the stewards of world monetary policy. The goal was to persuade markets that the United States and its main trading partners are serious when they say they will do battle against any further dollar depreciation.

• Japan's overnight money rate has been nudged gradually downward as the Bank of Japan has injected funds into the system, and senior officials in Tokyo have spoken publicly of the prospect for future interventions "as appropriate."

• The Bundesbank slashed its key discount and Lombard rates on Wednesday by half a percentage point, a large move that brought short-term interest rates to their lowest levels in

five years. German interest rates, especially on three-month money, are now close to falling below U.S. levels, providing incentives for speculators to bet on a strengthening of the U.S. currency.

• There are widespread expectations that the Fed will raise its federal funds and discount rates on or before its scheduled Open Market Committee meeting on May 17.

• Leading central banks appear prepared to launch, if necessary, more coordinated interventions to maintain a floor under the dollar.

But it would be wrong to assume that markets have been calmed by this evidence of the conditions for a dollar recovery. Indeed, dollar bears are hungry for more proof that the U.S. currency will be supported by policy action. Some traders have already begun discounting

See DOLLAR, Page 4

## Bond Markets Second-Guess Bundesbank

By Brandon Mitchener

*International Herald Tribune*

FRANKFURT — It often seems the Bundesbank can do no right.

Politicians around the world welcomed the central bank's decision Wednesday to cut its two leading interest rates to their lowest levels in years, a move that will undoubtedly help spur economic growth.

The bond market and some economists, however, have reacted as if the august institution had thrown its credibility to the wind by cutting official interest rates months before high inflation and money supply figures settle back to desired levels.

Critics cited a 20 percent rise in benchmark German government bond yields since the beginning of the year as tangible evidence that markets question the Bundesbank's ability to control the factors that might fuel inflation several years from now.

If that risk becomes reality, they say, the Bundesbank's recent interest rate cuts will jeopardize Germany's traditional reputation as the gravitational center dictating monetary stability throughout Europe.

To be sure, lots of experts attribute rising bond yields to external factors and believe that the Bundesbank can still be trusted to do what is best for Germany.

"We think they are aware of the risks," said Gert Gmünden, a German economist at Salomon Brothers in London.

Nevertheless, it is natural to expect that the Bundesbank's current policy of cautiously cutting interest rates entails some dangers, and investors are therefore right to be wary, economists said.

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The Bundesbank concluded in April that it had to raise the opportunity cost of holding cash after enduring months of criticism that its own tight policy had distorted its chief barometer of inflation, the M-3 money supply. It used the same argument on Wednesday to defend its half-percentage point cuts in the discount and Lombard rates to their lowest levels since 1989.

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See GERMAN, Page 12



FLOCKING TO JERICHO — A Palestinian shepherd and his flock passing the new Jericho-Israeli border crossing on Thursday. In Tunis, the Palestine Liberation Organization appointed three prominent peace negotiators to the self-rule government. Page 4.

## Senate Backs Lifting Of Bosnia Embargo

U.S. Vote on Eve of Geneva Talks Sharpens Clash With Allies and UN

Compiled by Our Staff From Dispatches

WASHINGTON — The Senate voted, 50 to 49, on Thursday to require the United States to lift the Bosnia arms embargo regardless of the opposition of the NATO allies and the United Nations.

The vote followed an emotional debate and approval by the same margin of an administration-backed counterproposal that would require the president to seek international agreement on lifting the arms ban.

The future of the two proposals was unclear.

The House of Representatives has yet to act, and the legislation requiring unilateral action would require the president to seek international agreement on lifting the arms ban.

The Senate's moves nevertheless undercut President Bill Clinton's day ahead of international talks in Geneva among the United States, Russia and several European countries on how to resolve the Bosnian war.

French calls for imposing a peace settlement on Bosnia were rejected by American officials this week.

But Foreign Minister Alain Juppé of France, visiting Washington, continued Thursday to urge the United States to put pressure on the warring parties to accept a peace plan, preferably one of their own, but if not, then one developed by the major powers.

After the Senate's actions, Mr. Juppé called the idea of lifting the arms embargo "almost" the "worst solution."

The Senate Democratic leader, George J. Mitchell of Maine, seeking to head off support for Mr. Dole's plan, proposed that the president seek the agreement of the NATO allies and the UN resolution lifting the embargo.

Senator Joseph I. Lieberman, Democrat of Connecticut, who co-sponsored the legislation, called the embargo immoral and illegal.

He asked: "How many more Bosnians are we going to allow to die before we stand together with the victims of this aggression and shout, 'Enough!'"

The Senate Democratic leader, George J. Mitchell of Maine, seeking to head off support for Mr. Dole's plan, proposed that the president seek the agreement of the NATO allies and the UN resolution lifting the embargo.

Mr. Mitchell said unilateral action would lead to other countries lifting sanctions that the United States supported, including those against Iraq and Haiti.

"We can't take the position that others must

See BOSNIA, Page 4

## U.K. Labor Chief's Death Stuns a Surging Party

By William E. Schmidt and Richard Stevenson  
*New York Times Service*

LONDON — John Smith, the shrewd Scottish lawyer and leader of the opposition Labor Party whose political acumen and personal style made him the man believed most likely to become Britain's first Labor prime minister since 1979, died Thursday after suffering a heart attack at his London home.

The sudden death of Mr. Smith, 55, came only a week after his party had rolled to huge gains across Britain in local town and county elections, the high point so far in a Labor revival that began when Mr. Smith took over as leader in 1992, after the party's fourth consecutive national election loss.

Mr. Smith collapsed with chest pains on Thursday morning as he was preparing to set out on a day of campaigning for elections to the European Parliament next month.

The news of Mr. Smith's death stunned Britain. Queen Elizabeth II offered condolences to Mr. Smith's wife, Elizabeth, and three daughters. Many of his Labor colleagues wept openly outside Parliament, and his political rivals often

never mentioned his death left "a huge hole in the Labor Party."

"He was destined to become prime minister," Mr. Gould said.

In a survey conducted in late April by Market and Opinion Research International, Labor was the choice of 47 percent of those polled; the Conservatives had 26 percent, and the Liberal Democrats 23 percent.

Margaret Beckett, 51, the deputy leader of the party, now takes over the leadership. Many privately regard her as a caretaker until a new leader can be selected; Labor officials insisted that they would not consider a formal replacement for Mr. Smith until after the European Parliament elections.

Among the possible contenders to succeed Mr. Smith are Tony Blair, 41, who is Labor's spokesman on domestic policy; Gordon Brown, 42, the opposition spokesman on the economy, and John Prescott, 55, the transportation spokesman.

Along with his droll wit and razor-sharp mind that made him a formidable opponent in

See LABOR, Page 4

## More Grand Prix Racing Horror

## Austrian Near Death After Crash in Monte Carlo

Compiled by Our Staff From Dispatches&lt;/

## Worst Fears Easing, South African Whites Hasten to Adapt

By Bill Keller  
New York Times Service

JOHANNESBURG — The day after Nelson Mandela's inauguration, white South Africans looked up to discover that the African sky had not fallen.

True, they had a black president, a slew of Communists in Parliament and a former guerrilla leader for minister of defense.

Some noticed, too, that the black populace seemed to be a little more sure of itself, a little more alert to the sights of light-skinned compatriots.

But so far, the feared legions of township Visigoths had not descended on their shopping centers, and no political malcontents had begun the predicted civil war.

So whites are hastening to catch up with the new reality, struggling with the lyrics of the new national anthem, enrolling in Zulu classes and crowing about what a splendid man Mr. Mandela seemed to be, as if they had always thought so.

"He is, without doubt, an outstanding human being and leader, and as we have said before, our future is in good hands," the daily Citizen said in an editorial. Until recently, the newspaper had viewed

the advent of majority rule with an end-of-empire *tristesse*.

Whites who had taken an open-ended holiday — "to watch the explosion from a safe distance," as one travel agent put it — have been flying home. Others phoned renovators to do that long-postponed remodeling with the idea that they might just stay here a while longer.

"It's just such a relief," sighed Caryl Stanbridge, the secretary at Peter Pan Nursery School in the leafy suburb of Sandton, where white parents had organized an emergency postelection evacuation procedure in fear of what Mrs. Stanbridge described as "unruly crowds coming over the hill."

No unruly crowds came to pillage, and political violence took a holiday.

With the white racist fringes depleted by police sweeps after a series of pre-election bombings, and with the Zulu nationalists appeased by their victory in a provincial election, the new government has assembled in a country closer to peace than anyone can remember.

The moving-company seminars that tell frightened whites how to immigrate to New Zealand are still drawing customers anxious about high crime, tailing

school standards and the prospect of higher taxes, but the participants are less certain about whether they will actually go.

"It's turned out more positive than we expected, so this is just an option," said a speech therapist who came with her husband and about 20 others to an emigration session at a hotel near the airport.

"It was a bit of a panic before," said the woman, who declined to give her name. "We can look at it more logically now."

Vusimusi Baloyi's seminars in African languages, on the other hand, have been teeming with enthusiastic whites since the elections.

He said that "there is a lot of demand and excitement" from whites who never bothered before because they regarded blacks as "shadows."

Now, he said, "they feel left out in conversations."

After listening to the new national anthem, "God Bless Africa," broadcast during inaugural events, white callers were suddenly paying close attention to a song they long regarded as the property of the liberation movement.

A white woman suggested on a radio talk show that the government publish a

phonetic version for citizens who stumble over the three African tongues of which it is composed. Another, questing for the etiquette of the new order in a letter to a local paper, noted that blacks tended to sing the anthem in the militant posture.

Is the clenched fist necessary?" the writer wondered.

Whites will have to adjust to blacks whose spines have been stiffened by citizenship.

In recent days, black deliverymen dropping off packages in white suburbs paused confidently to discourse on the political future.

A black woman, elbowed aside by a white lawyer as he dashed from a downtown elevator, stepped out and froze him with a rebuke. He stood sheepishly, clutching his document case, as she reminded him of his manners in English, with asides in Zulu for the benefit of black bystanders.

Blacks are not automatically moving out of the way when you walk down the street," said Andrew Miller, who works for a literacy project in Pretoria. But he noted that many black South Africans could not shake the deferential nature of addressing whites as "Madam" or "Boss."

After so many years as, in Mr. Mandela's inaugural words, "the shunck of the world," South Africa is reveling in rehabilitation.

"Now we can sing 'Die Stem' at sport without being ashamed," said Gary Brownlee, 16, a high school student.

"Die Stem van Suid-Afrika," or "The Call of South Africa," the Afrikaans poem long reviled by blacks as a vestige of apartheid, has now been rehabilitated as co-anthem of the unity government.

"I don't know why, but today when I went to school, I felt much better, and safer," the student added.

Said a woman at the emigration seminar: "I've struggled off a feeling of guilt that I didn't know was there. There's no need to be patronizing anymore."

The Reverend Jesse L. Jackson, who headed a delegation of American observers during the elections two weeks ago, said white college students he met had exulted in the prospect of being O.K. Maybe Michael Jackson would come, they said, or Michael Jordan.

"These young white students were telling us, 'We've been freed!'" Mr. Jackson recalled. "They can now look forward to going to Europe and America without feeling ashamed."

## WORLD BRIEFS

### China Lukewarm to New U.K. Envoy

BEIJING (AP) — China gave a guarded welcome Thursday to the appointment of a new British ambassador here and effectively ruled out any chance of Chinese-British cooperation over political reform in Hong Kong.

The new envoy, Len Appleyard, previously a political director at the Foreign Office, will take over in September from Robin McLaren, who is retiring. "We welcome Mr. Appleyard to be the new British ambassador in China," said Wu Jianmin, the Foreign Ministry spokesman.

"Although China and Britain cannot cooperate on the issue of Hong Kong's constitutional reform," he said, "the Chinese side is still willing to cooperate with the British side in other fields, like Hong Kong's economy."

It was a mistake not to take Russia into account," said a ministry spokesman, Mikhail Dziumura, referring to the WEU offer Monday to Poland, Hungary, the Czech Republic, Slovakia, Bulgaria, Romania, Estonia, Lithuania and Latvia.

Associate membership in the WEU, the military arm of the European Union, would bring the nine countries closer to European defense planning but stop short of giving them guarantees of military support if they were threatened or attacked.

### Armenia-Azerbaijan Truce Fails

MOSCOW (AP) — Military representatives of Armenia, Azerbaijan and Nagorno-Karabakh signed a cease-fire agreement, but Armenian forces on Thursday immediately accused Azerbaijan of violating the pact.

The agreement, which took effect at midnight Wednesday, was aimed at implementing the Russian-brokered truce and peace plan negotiated last week in the Kyrgyz capital, Bishkek. Azerbaijan and Armenia had said the truce would take effect last Monday. But both sides immediately violated it, accusing the other of firing first.

Just hours after the agreement was signed late Wednesday, Nagorno-Karabakh authorities accused Azerbaijan of violating the truce. They said their fighters had repulsed an Azerbaijani offensive in the eastern part of Nagorno-Karabakh, killing 30 Azerbaijanis. The six-year war for Nagorno-Karabakh, a mountainous Armenian enclave within Azerbaijan, has killed more than 20,000 people and left more than 1 million refugees.

### Troops in Berlin Begin Good-Byes

BERLIN (Reuters) — Berlin residents on Thursday marked the 45th anniversary of the end of a Soviet blockade that was foiled by the U.S.-led Berlin Airlift, and the start of ceremonies for the pullout of the Western allies who protected the city through the Cold War.

British forces opened their Berlin military headquarters for the first time to be host of a "Farewell Festival," ignoring a dispute between Russia and the allies over how to celebrate the final withdrawal of their troops. The event served to mark the role of British, French and American forces in defending West Berlin; the 12,000 Western soldiers will be gone by the end of the year.

Across the city at the Tempelhof airport monument to the airlift, Mayor Eberhard Diepgen laid a wreath to commemorate at least 78 airmen and others known to have died as part of the 462-day operation.

### For the Record

Iran said it strongly protested to Britain on Thursday after finding what it alleged was a listening device inside a wall of its newly refurbished embassy in London. (Reuters)

## TRAVEL UPDATE

### Greece Drops Club Closing Hours

ATHENS (Reuters) — A law that required nightclubs to close at fixed hours and set off lighting by Greek youths is being lifted, at least for the summer, to help bolster tourism. Tourism Minister Dionysis Litvinos announced.

He expressed hope Wednesday that the law would be lifted permanently. It banned unclothed teenagers under 17 from going to clubs and required clubs to close at 2 A.M. on weekdays and 3 A.M. on weekends.

Scores of Greek youths have been gathering at Syntagma Square in central Athens every weekend after the clubs close, partying, dancing to loud music from car radios and stripping. There were several clashes with riot police.

Lufthansa will open two routes to Madrid and Calcutta in July, following a civil aviation agreement signed Tuesday in New Delhi between India and Germany. Lufthansa already flies to Bombay and New Delhi. Air India will get reciprocal flight access to Berlin and another German city of its choice. (AP)

Rabat taxi drivers went on indefinite strike Thursday to protest a government decree requiring daily inspections of the country's antiquated taxis by the police, and technical tests four times a year instead of two. Drivers say that dooms cars over 10 years old — virtually the entire taxi fleet — to the junkyard. (Reuters)

An Air New Zealand Boeing 747-400 wide-bodied jet rode a jet stream to set a record crossing of the Tasman Sea from Sydney to Auckland on Thursday, the airline said, covering the 1,335 miles (2,143 kilometers) in one hour 34 minutes, beating by three minutes the previous record by an Air New Zealand Boeing 747-200 three years ago. (Reuters, AP)



Yemenis at the civilian airport near Aden, in the southern part of the country, after it was destroyed in air strikes by northern forces.

## 2 Sides Claim Control of Key Yemen City

Compiled by Our Staff From Dispatches

SAN'A, Yemen — Yemen's opposing armies both claimed victory Thursday in the fight for a strategic southern city.

A statement from the southern forces said they seized Dhalea, the city is 100 kilometers (60 miles) from the southern bastion of Aden on a main route from the north.

But northern officials also said they controlled the city. The claims could not be independently verified.

The north since Saturday has said it was on the verge of seizing Aden, the northern-controlled approach of Dhalea just across the former north-south border on Wednesday, and reported fierce artillery and tank duels. Commanders reported heavy casualties on both sides.

The reporters said General Sa-

President Ali Salem Baid, the

leth's forces were pushing in tank

reinforcements to the Dhalea front

but appeared to be making little

headway.

The southern military statement said southern forces had taken control of Dhalea and that northern forces had retreated 10 kilometers north of the city.

But San'a television quoted a northern officer as saying northern forces had seized Dhalea. Qatar's news agency also quoted the north's information minister, Hasan Ahmad Lawzi, as saying that northern forces had gained control of Dhalea, the town of Kurush to the east and a point close to Bal al-Mandab, near the old north-south border at the southern entrance of the Red Sea.

Foreigners continued to flee on

Thursday. A Foreign Office official

said in London that about 100 British men, women and children were being flown from San'a to Cyprus.

As the fighting continued, Ye-

men's military statement said southern forces from north and south

were trying to woo Arab friends

and neighbors. Mediation efforts

focused on an Arab League team

that headed for San'a by road from Saudi Arabia to try to arrange a

truce.

Both sides say they would talk to

mediators, but the north appeared

reluctant to accept a truce that

would in effect allow Mr. Baid to

continue ruling Aden in defiance of

General Saleh.

Southerners led by Mr. Baid

have called for the disengagement

of forces to borders that existed

before North and South Yemen merged in May 1990.

(Reuters, AP)

on lifting sanctions, they "should do their best to make Kurdistan into another Somalia" for Westerners, Mr. Sinjari related. A bounty of 100,000 was offered for each foreigner killed, he added.

The Iraqi government has denied responsibility for the attacks, attributing them to "bandits" operating as a result of the Kurdish government's inability to maintain security.

The attack on the UN guard bus "was a radical departure" from previous harassment of Westerners, another Western security official said. The assailants, hiding in trenches on both sides of the road, opened fire on the regularly scheduled shuttle bringing UN guards from Irbil to Baghdad just before the Aski Kalak crossing point into Iraqi-held territory, he said.

A week later, Miss Schmidt, a reporter for Agence France-Presse, was gunned down with her Kurdish driver as they drove outside the town of Sulaymaniyah.

The Iraqi leader reportedly asserted that if there was no progress

in talks between the two sides, he "will do whatever is necessary to protect our people."

Mr. Sinjari, who has been a

leader of the Kurdish community in

Iraq since the 1970s, has been

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**U.K. Envoy**  
A welcome Thursday to the  
and effectively ruled out any  
political reform in Hong Kong,  
as Robin McLaren, who is  
the new British ambassador  
spokesman.  
on the issue of Hong  
Hong Kong's economy.

**Offer to East**

Ministry criticized the  
offering associate member  
economies, saying the more  
account," said a ministry  
of the WEU offer Monday to  
Yugoslavia, Bulgaria, Romania.

military arm of the European  
to European defense  
of military support if

**Failure Fails**

of Armenia, Azerbaijan  
agreement, but Armenian  
of violating the peace  
Wednesday, was aimed  
peace plan negotiated  
Azerbaijan and Armenia  
Monday. But both sides  
war in a Pulitzer Prize-winning autobiography.

The unsparing 1991 book, "Fortunate  
Son," in which he told the story of his  
ordeal, ended with Mr. Fuller's triumph  
over his physical disabilities and emotional  
at peace with himself.

But Mr. Fuller spent the last months of  
his life in turmoil, according to friends and  
associates. In recent days, they say, he  
fought a losing battle with alcoholism, he  
died.

Though Mr. Fuller spent only a short

By Kent Jenkins Jr.

Washington Post Service

WASHINGTON — The "terrible  
wounds" that the Vietnam War inflicted on  
Lewis B. Fuller Jr. finally claimed his life  
Wednesday at his home in suburban Wash-  
ington.

Mr. Fuller, 48, lost his legs and parts of  
both hands when he stepped on an enemy  
land mine in Vietnam as a Marine in 1968.  
He transformed his years of struggle with  
the physical and emotional ravages of that  
war into a Pulitzer Prize-winning autobiog-  
raphy.

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Though Mr. Fuller spent only a short

disease he had kept at bay for 13 years, and  
struggled with a more recent addiction to  
painkillers initially prescribed to dull con-  
tinuing pain from his wounds.

Friends said he and his wife, Linda T.  
Fuller, had separated shortly before his  
death. "To the list of names of victims of  
the Vietnam War, add the name of Lewis  
Fuller," Mrs. Fuller said in a statement.

"He suffered terrible wounds that never  
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Mr. Fuller "was a man who had done a  
lot of trying to come out of the  
shadow of that war," said William Styron,  
the novelist who had known him since the  
late 1970s. He was an early and influential  
champion of Mr. Fuller's book.

Mr. Fuller's suicide "is a terrible sequel,  
it seems to me," Mr. Styron said. "But  
maybe it's more symbolic than ever of the  
horror of that war. Even after his triumph,  
it still prevailed and killed him."

Though Mr. Fuller spent only a short

time in combat, his life from beginning to  
end never strayed far from the armed ser-  
vices. His father was the legendary Lewis  
(Chesty) Puller Sr., whose heroism in  
World War II made him the most decorated Marine in history.

The younger Puller went to Vietnam as a  
Marine lieutenant and spent many years as  
a prominent veterans activist until his death.

But it was Mr. Puller's harrowing experience  
in Vietnam that defined his life. After  
the land mine explosion of Oct. 11, 1968,  
which riddled his body with shrapnel, he  
lingered near death for days, and his  
weight at one point dropped to 55 pounds,  
about 25 kilograms. He survived those  
who knew him say, primarily because of his  
iron will. His physical recovery brought  
new agonies.

He spent two years in a Philadelphia  
veterans hospital, where one of his fellow  
patients was Bob Kerrey, now a Democratic  
senator from Nebraska, then a navy Seal

who had lost a leg in combat. The two had  
been close friends ever since.

"He was a hero who overcame tremen-  
dous obstacles and he gave a lot of people  
hope," Mr. Kerrey said Wednesday. "It's  
sad that his own writing, which inspired so  
many people, in the end could not move

"The ground fell out from under him."

For years after Mr. Puller returned to  
reasonably sound physical condition, the  
emotional ground underneath him re-  
mained shaky. Though he got a law degree  
and mounted an unsuccessful campaign  
for Congress in eastern Virginia, he battled  
periods of despondency. He drank heavily  
until 1981, when he underwent treatment for  
alcoholism.

By Mr. Puller's own account, the source  
of much of his strength over the years was  
his wife. Shortly after he returned from  
Vietnam, he urged her to divorce him but  
she refused. In his book, Mr. Puller de-  
tailed one suicide attempt that he said

would have succeeded if his wife had not  
foiled it.

Family friends said Wednesday that Mr.  
Puller's marriage began to unravel earlier  
this year when he began drinking again.  
Shortly before his book won the Pulitzer  
Prize in 1992, his wife was elected to the  
Virginia legislature and began spending time  
in the capital, Richmond. Friends say  
Mr. Puller eventually became despondent  
over his periods alone.

While co-workers saw few signs of Mr.  
Puller's problems, friends said he had become  
addicted to prescription drugs and was  
treated for the condition this year at  
Bethesda Naval Hospital, in Maryland.

Friends also said that in recent weeks,  
Mr. Puller's drinking had become more  
intense. Ian Scruggs, president of the Viet-  
nam Veterans Memorial, said, "I talked to  
him last week, and he said, 'You know,  
things aren't going too well for me now  
because my wife has decided to leave.'

"He said, 'I'm not taking it very well.' He  
just seemed very depressed."

**Clinton's Struggle  
To Ride Out Storm****Series of Allegations Leaves  
Them Angry and Distracted**

By Jack Nelson

Los Angeles Times Service

WASHINGTON — In public,  
President Bill and Hillary Rodham  
Clinton have remained unfailingly  
confident, patiently defending themselves  
against critics and the press.

Friends also said that in recent weeks,  
Mr. Clinton's drinking had become more  
intense. Ian Scruggs, president of the Viet-  
nam Veterans Memorial, said, "I talked to  
him last week, and he said, 'You know,  
things aren't going too well for me now  
because my wife has decided to leave.'

"He said, 'I'm not taking it very well.' He  
just seemed very depressed."

In private, however, they are angry,  
frustrated and often distracted by the  
continuing allegations and by what they see as a politically  
inspired campaign to discredit them,  
according to senior aides and others close to the Clintons.

White House sources described  
Mrs. Clinton as privately "distressed and consumed" by  
Whitewater, the failed real estate  
development that critics say led to  
improper benefits for the Clintons,  
and by other controversies.

The sources said she was "incredibly angry that it's distracting  
from health care reform."

Mr. Clinton's aides say it's "unfair  
media coverage" and attacks by  
conservative critics, the sources said.

He fumes that no other president  
has had to endure attacks based on  
events 10 or 15 years before entering  
the White House.

He also insists that various allegations  
of financial and sexual misconduct were fully aired during the  
1992 presidential campaign, even  
though additional allegations have  
emerged since he was elected president,  
many of them at odds with explanations given during the campaign.

Indeed, the appointment of a  
special counsel, Robert B. Fiske Jr.,  
to investigate the Whitewater allegations  
occurred in large part because of such disparities and seeming  
contradictions.

Nor does it seem very likely that  
the storms will die down soon.

Last week, a former Arkansas  
state worker, Paula Corbin Jones,  
filed a civil lawsuit in which she  
accuses Mr. Clinton of sexual harassment  
on him that.

■ **Federal Regulators Sued**

Representative Jim Leach, Republican  
of Iowa, has sued federal  
regulators in an effort to win the  
release of documents relating to the  
Whitewater investigation, saying  
they cannot choose to withhold the  
material just because it might be  
embarrassing to the president, The  
Washington Post reported.

Mr. Leach, the ranking Republican  
on the House Banking Committee,  
has been seeking documents relating to Whitewater and a  
failed Arkansas savings and loan.

Madison Guaranty, for six months.  
Most of his requests have been denied  
on privacy or other grounds

by the Office of Thrift Supervision,  
the agency that regulates savings  
and loans, and the Resolution  
Trust Corp., the agency created to  
dispose of hundreds of failed

"These are examples of vigilante  
extremism that mirror the spread of  
hate crimes and random violence  
in our society," she said.

Mr. Clinton is certain to sign the  
legislation, which would take effect  
immediately. A total of 52 Democrats  
and 17 Republicans voted for it,  
while three Democrats and 27  
Republicans voted opposed.

Supporters argued that protests  
had got out of hand. By one count,  
there were more than 1,000 violent  
acts at abortion clinics from 1977 to  
April 1993, including 36 bombings,  
81 cases of arson, 131 death  
threats, 84 assaults, 2 kidnappings  
and one killing.

Opponents countered that such  
violent acts were rare and were already  
crimes. They said the bill was an  
attempt to thwart just one side  
in the abortion debate.

The legislation makes it a federal  
crime to block access to an abortion  
clinic or to use force or threats  
against people using such clinics or  
working there.

Violent offenders would face up  
to \$100,000 in fines and a year in  
prison for a first conviction, and up  
to \$250,000 in fines and three years  
in prison for subsequent offenses.

**THE AMERICAS / YET ANOTHER****Prize-Winning Vietnam Veteran's Personal War Ends in Suicide**

By Kent Jenkins Jr.

Washington Post Service

WASHINGTON — The "terrible  
wounds" that the Vietnam War inflicted on  
Lewis B. Fuller Jr. finally claimed his life  
Wednesday at his home in suburban Wash-  
ington.

Friends said he and his wife, Linda T.  
Fuller, had separated shortly before his  
death. "To the list of names of victims of  
the Vietnam War, add the name of Lewis  
Fuller," Mrs. Fuller said in a statement.

"He suffered terrible wounds that never  
really healed."

Mr. Fuller "was a man who had done a  
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shadow of that war," said William Styron,  
the novelist who had known him since the  
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it seems to me," Mr. Styron said. "But  
maybe it's more symbolic than ever of the  
horror of that war. Even after his triumph,  
it still prevailed and killed him."

Though Mr. Fuller spent only a short

**Senate's Gift Limits  
Set Up Rules Fight**

By Helen Dewar

Washington Post Service

WASHINGTON — A grumpy  
but image-conscious Senate voted  
to ban members of Congress from  
accepting meals, trips or gifts from  
everyone but friends and family,  
setting the stage for a struggle with  
the House of Representatives over  
how far to go in curbing favors  
from special interests.

The Senate was reluctant to shed  
what Senator Russell D. Feingold,  
Democrat of Wisconsin, called the  
"mother of all perks," but anxious  
about a backlash from voters if it did  
not. It approved the legislation,  
95 to 4, after fending off efforts to  
weaken its key provisions.

The bill now goes to conference with  
the House, which approved less-extensive restrictions on gifts  
as part of legislation to strengthen  
lobbyist registration requirements.  
Lobbying requirements, too, have  
also been approved separately by  
the Senate.

Sources in both houses said the  
House would probably balk at  
some of the Senate's most stringent  
provisions, including a ban on expense-paid trips to  
charity events. But they said agreement  
on what could be the most far-reaching lobbying restrictions  
in a half-century was likely because of  
heavy pressure from voters.

The bill would change House  
and Senate rules to ban members  
from accepting meals, trips or gifts from  
everyone but friends and family.

**U.S. Will Test Veterans  
Who Fall Ill in the Gulf**

By Eric Schmitt

New York Times Service

WASHINGTON — The Pentagon  
will soon conduct intensive  
medical exams on hundreds of veterans  
of the Gulf War who are suffering from unexplained illnesses,  
according to the military's senior medical officer.

A Senate committee's conclusions  
made public last week suggested that some of the illnesses  
might have been caused by drugs  
given the troops to protect them  
against chemical and biological warfare.

The Pentagon's new tests are intended  
to be the most comprehensive so far, and medical experts  
hope the results will yield clues to  
the causes of the illnesses, which have perplexed doctors.

We set ourselves a time line  
of 120 days to get a significant  
number of exams finished," Dr. Joseph  
Sasse, Democrat of Tennessee, chairman of  
the budget committee, before the 53-to-46  
vote. "The American people can feel it. They  
can feel it in an improved domestic economy.  
They can feel it in an improved international  
standing."

The measure, approved by the House last  
week, does not need the president's signature.

The blueprint for the fiscal year beginning  
Oct. 1 calls for further reductions in military  
spending and more money for education and  
road-building programs. It would also comp-  
ress next year's federal deficit to \$175.4  
billion — the lowest since 1989.

Republicans complained that because the  
package contains no dramatic new plans for  
cutting spending, it would allow the shortfall  
to veer upward again at the end of the decade.

"We have once again missed an opportunity  
to send a real signal to do something of a  
permanent nature about fixing the deficit,"  
said Senator Pete Domenici, Republican of  
New Mexico.

The budget sets broad spending limits, but  
figures for specific programs are not binding  
when lawmakers make those decisions later.

The spending plan calls for \$270.7 billion  
for defense next year, \$8.1 billion less than  
the 1992 level, the first percentage increase in five years, the  
National Safety Council reported. The largest single cause  
of death from falls and poisonings. The largest single cause  
of motor vehicle accidents — declined 1 percent last year to 39,900.

• The brain of the serial killer John Wayne Gacy will be autopsied  
for abnormalities. But the University of Chicago Medical Center  
said it was unlikely that this would shed light on the subject's  
behavior." Mr. Gacy, convicted of killing 33 men and boys, was  
executed by lethal injection.

• The use of wiretaps and microphones aimed at suspected drug  
traffickers increased by nearly 50 percent during the first year of the  
Clinton administration, pushing federal eavesdropping to a record  
high, according to the Administrative Office for U.S. Courts.

• American culture is superior to all others. Or so public school  
pupils will be taught henceforth in Lake County, Florida, following a  
ruling by the school board. The chairwoman, Pat Hart, said, "It is  
a 3-2 vote by the school board that have led us to our  
present state."

AP, AFP

**Away From Politics**

Accidental deaths in the United States increased by 4 percent to  
86,000 last year, the first percentage increase in five years, the  
National Safety Council reported. The largest single cause  
of death from falls and poisonings. The largest single cause  
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## Tokyo Concedes '37 Atrocity 'Nanking' Author Finally Defeats Censor

**Reuters**  
TOKYO — A Japanese historian, who is a leading campaigner against Education Ministry censorship, has won a final battle against official attempts to whitewash schoolbook accounts of the 1937 "Rape of Nanking."

Court officials said Thursday that the government had let pass a May 10 deadline to appeal a ruling by the Tokyo High Court, which found last October that censors had distorted passages about the massacre in a textbook written by the historian, Saburo Ienaga. The High Court ruling stands.

Japanese forces stormed Nanking, now known as Nanjing, in the opening stages of the Chinese-Japanese war of 1937 and raped and massacred tens of thousands of Chinese civilians in perhaps the worst of the Imperial Army's atrocities.

After the war, the Tokyo war crimes tribunal determined that 155,000 Chinese civilians had been killed in Nanjing. The Chinese government has put the figure at 300,000. Many Japanese officers who were in Nanjing at the time have said the true figure was probably between the two.

Rightist politicians in Japan and a handful of revisionist historians maintain the massacre was a propaganda creation and never took place.

Last weekend, the Japanese justice minister, Seigo Nagano, was forced to resign for calling the Rape of Nanking a fabrication and saying that Japan was not an aggressor in World War II.

Mr. Nagano left the cabinet after his remarks ignited a storm of protest from China, Taiwan, both Koreas and other Asian countries. A junior officer at war's end before entering politics, he rose to become chief of staff in the postwar Japanese Army.

The High Court ruling last October followed a 31-year court battle by Mr. Ienaga, 81, against the Education Ministry. The court found that ministry censors had overstepped their bounds in censoring

his textbook and cited two passages describing the Nanjing massacre.

In the first case, the court found, censors illegally ordered Mr. Ienaga to insert words to the effect that the massacre occurred "amidst confusion," suggesting that the army as an institution was not to be blamed. In the second case, censors unlawfully instructed Mr. Ienaga to delete a reference to soldiers committing wholesale rape.

The ruling determined there was a legal limit, based on objective truth, to how ministry censors could order textbook authors to alter particular passages. Until the ruling, their power to determine historical, political and social "truths" was technically unlimited.

Mr. Ienaga and other authors and experts have long accused censors of abusing this power to assert their own "History According to the Ministry of Education," which stood apart from the accepted academic norm.

The 1993 High Court ruling did recognize the state's right to censor textbooks, prompting Mr. Ienaga to ask the Supreme Court to declare that the process was illegal.

Mr. Ienaga's lawyer, Kinji Morikawa, said Thursday: "We appealed to the Supreme Court because the entire censorship system runs counter to human rights conventions and accepted norms in the international community." He said it could take three or more years for the Supreme Court to rule.

He acknowledged, however, that the government decision not to contest the High Court decision was "a full step forward."

The High Court ruling that censors exceeded legal bounds by distorting history is now legally binding. This is because the Supreme Court discusses only the constitutionality of laws, regulations and their administration, and not the facts of individual cases.

## UN Agency Says Korea Inspections Will Go On

**By David E. Sanger**  
*New York Times Service*

TOKYO — The International Atomic Energy Agency said Thursday that it would send a team of inspectors to North Korea this weekend in what appears to be a last-minute deal to avoid sanctions against Pyongyang by the United Nations Security Council.

Under the terms of the loose arrangement, the inspectors will be permitted to finish substantially all of the testing and sampling in North Korea's nuclear reprocessing center that they were prevented from carrying out in March.

North Korea, meanwhile, has been warned that its hopes of diplomatic talks will disappear unless it freezes any action to remove spent fuel from its nuclear reactor. That fuel, once converted to weapons-grade plutonium, would give the North enough material for four or five nuclear weapons.

In the past, the deal was reached in last-minute brinkmanship, amid threats of sanctions. But both the United States and South Korea have backed down in recent weeks on details of their demands, in an effort to create an atmosphere that could lead to long-delayed, high-level talks. At that time, the United States would lay out a package of incentives for the North to give up its weapons project.

"There is no real deal, it is a bit risky," said a senior South Korean official who is involved in the talks.

Because they have been burned so many times, U.S. and South Korean officials stressed that they were far from declaring that the long-brewing crisis had eased. When the North has reached similar agreements in the past, inspectors have run into considerable impediments once they arrived at the secret complex at Yongbyon.

A week ago, the top U.S. official handling the dispute, Robert L. Gallucci, suggested that the policy might have hit a dead end, and expressed pessimism that a diplomatic solution could be reached.

So far, the Clinton administration has fended off critics of the dialogue with North Korea, and its reluctance to impose sanctions, by claiming that there was no evidence North Korea was making progress on a bomb project. Now that claim is threatened. If the North proceeds with the removal of spent fuel from the reactor without inspectors present, that policy of containment would have effectively failed.



WATER! — Women with empty pots marching in New Delhi on Thursday to protest the water shortage sparked by a heat wave. *Yannick Leterrier/Photo*

## U.S. Offers Own Plan for Rwanda After Calling UN's Overambitious

**By Paul Lewis**  
*New York Times Service*

UNITED NATIONS, New York — The United States has criticized a new United Nations plan to send 5,500 soldiers into the heart of the Rwandan civil war to protect refugees and assist relief workers.

When the North has reached similar agreements in the past, inspectors have run into considerable impediments once they arrived at the secret complex at Yongbyon.

Instead, the chief U.S. delegate to the United Nations, Madeleine K. Albright, told the Security Council on Wednesday that the United Nations should explore the possibility of sending an international force to establish a "protection zone" along parts of the Rwandan border where refugees could gather and be cared for.

The UN plan, submitted by Secretary-General Boutros Boutros Ghali, envisages sending troops straight into Kigali, where fierce fighting has been reported, with the objective of securing the airport and reinforcing the United Nations' small military headquarters there before fanning out through the country to protect refugees and aid workers.

But in an example of the new mood of caution that has descended on the United Nations these days, the secretary-general also made clear that the troops would not be authorized to use force to stop the ethnic massacres that are estimated to have cost 200,000 lives so far.

Although not excluding any course of action, Mrs. Albright said it remained unclear whether African countries were ready or able to send forces for a dangerous and complicated mission at the epicenter of a civil war.

The idea of a protected zone for refugees along Rwanda's borders, she argued, would be easier to organize from a logistical point of view. At... African countries are more likely to contribute forces to it.

Mrs. Albright said the United States wanted to explore this approach and might be ready to help by providing money, air transport and possibly some military equipment.

The Security Council told the secretary-general to continue working on both proposals and sound out African countries about sending troops. Most Western countries that take part in peacekeeping operations have also said that they may help with money and equipment but that African nations must provide the soldiers.

In his proposal, the secretary-general suggested that the Security Council send in a force of 5,500 troops that would include five infantry battalions, with a limited mandate "to support displaced persons and other groups in Rwanda who have been affected by hostilities and to assist in the provision of assistance by humanitarian agencies."

The limited operation the secretary-general proposed, as well as the U.S. warning that even this might more than the United Nations can handle, reflect a growing recognition of the difficulties and dangers of intervening in civil wars brought home to the organization by its experiences in Somalia and the former Yugoslavia.

But the U.S. stand also reflects the more cautious approach the Clinton administration is taking toward UN peacekeeping these days, which led it to lay down new guidelines for such activities last week in a policy statement known as Presidential Directive 25.

## Medical Supplies And Food Reach Capital's Hungry

*The Associated Press*

KIGALI, Rwanda — Rebel and army gunners slowed their bombardment of Kigali on Thursday, and relief workers moved into the capital to deliver food and medicine to thousands of refugees.

Only a few mortar rounds fell on the city Thursday and sporadic small-arms fire was heard in some areas of the capital. Heavy fighting had for days prevented food from reaching about 15,000 people living under United Nations protection.

"We are taking advantage of the relative lull to get flights in and to deliver supplies to the camps," said Abdul Kabia, a UN spokesman.

Meanwhile, the Lutheran World Federation in Geneva said it had begun clearing bodies out of the Akagera River near where it empties into Lake Victoria in Uganda. Bodies of people killed in Rwanda's ethnic slaughter have washed down the river, which marks the border with Tanzania.

The federation said the operation was requested by the Ugandan Ministry of Internal Affairs and financed by \$100,000 provided by the United States.

## Arrest of Rights Advocate Reported As China Frees Religious Dissident

*Compiled by Our Staff From Dispatches*

BEIJING — A Chinese religious dissident, Zhang Ruiyu, who is 54 and a Protestant, came three weeks before President Bill Clinton of the United States must decide whether to strip China of low-tariff trade privileges because of its human rights record, including its treatment of Christians.

China forbids worship except in state-supervised churches. It has closed hundreds of unofficial churches in recent months and keeps hundreds of Christians in detention, human rights groups say.

In Shanghai, the police arrested Yang Zhou, spokesman of the Chinese Association for Human Rights, his wife said Thursday.

"Four policemen came to our home around midday," Li Guoping said by phone. "They took away my husband after searching the house, and, taking away documents."

It was the sixth arrest of a prominent Chinese dissident in a month, and the fifth arrest of members of the Shanghai-based group.

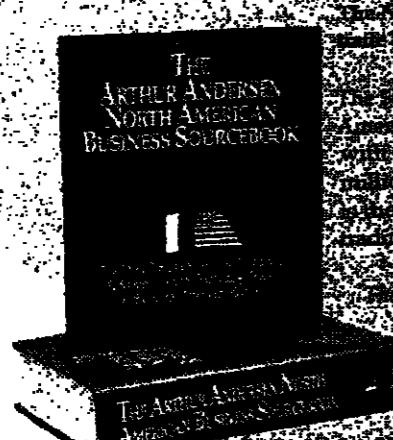
Finally, Bao Tong, the most senior Chinese official arrested after the 1989 prodemocracy demonstrations in Tiananmen Square, was hospitalized, his daughter Bao Jian said Thursday.

"I saw my father two days ago and his health is very bad," she said by telephone. "He is in considerable pain and his face is badly swollen and he has difficulty speaking."

Mr. Bao, 62, an economist and former top aide to the disgraced Communist Party chief Zhao Ziyang, is serving a seven-year sentence. It was imposed in 1992 for "counterrevolutionary propaganda and incitement" and "leaking important state secrets" during the 1989 demonstrations. (AP, AFP)

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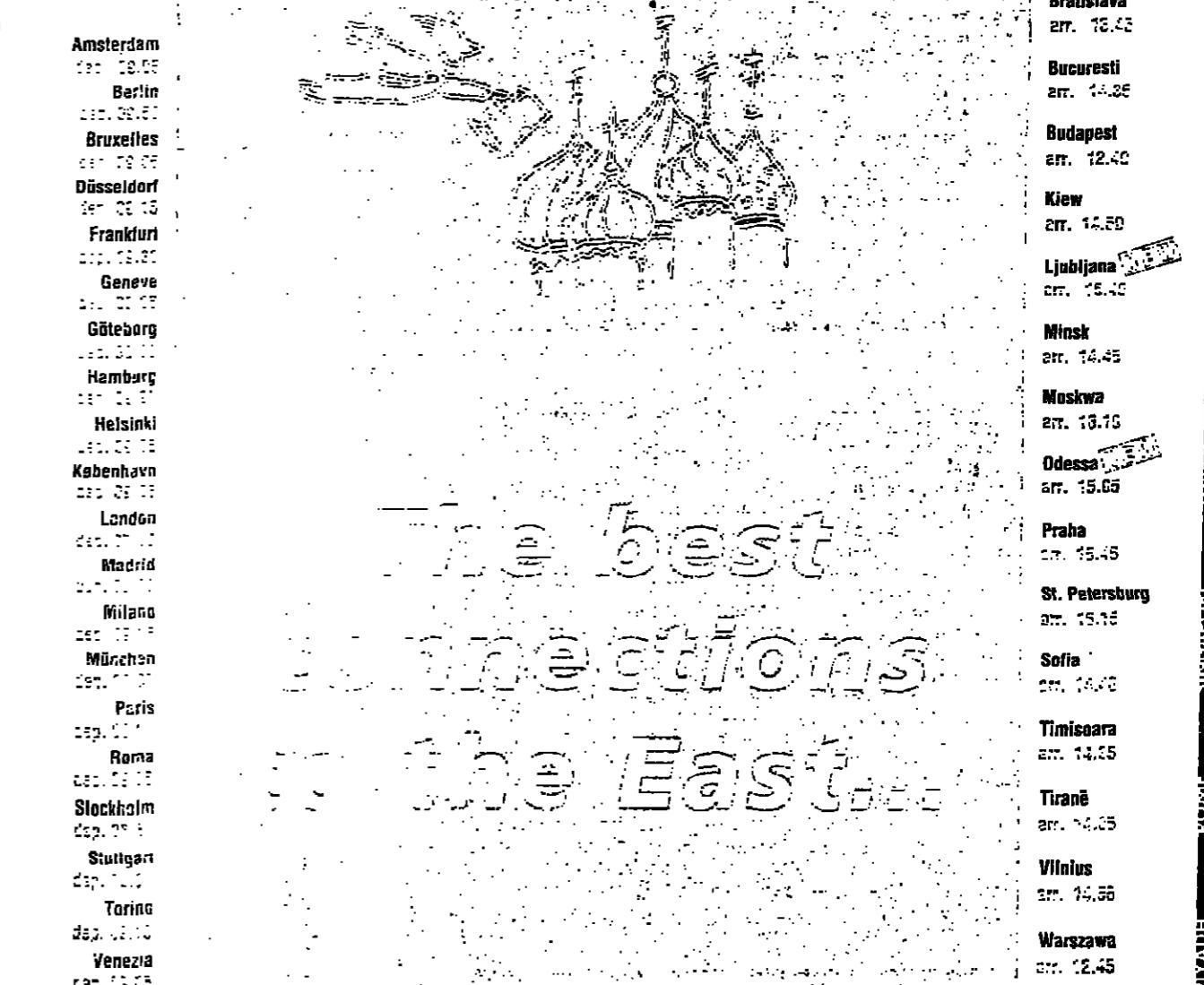
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13-5-94



If you do business with Eastern Europe, you'll probably keep running up against questions like "What's the best way to get from London to Tirana?" or "Which airline will fly me from Amsterdam to Odessa?" or "Which is the fastest connection from Milano to Bucharest?" For answers to questions like these, consult the Austrian Airlines Timetable. For decades now, we at Austrian have been operating ideally coordinated services between Eastern and Western Europe. As the table shows, the best connection between West and East will run to you with Austrian Airlines. Any travel agency or Austrian Airlines Office will be glad to provide details of the good connections we maintain for you in Eastern Europe.

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# International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Keep Trading With China

As Bill Clinton approaches his decision on trading with China, it is important to state the choice clearly. It is not whether to support human rights in China but how best to do it.

A year ago President Clinton said that if China did not improve its performance he would withdraw the trading privilege known as most-favored-nation treatment in effect shutting its exports out of the United States. China's progress in human rights since then has been disappointingly modest. But ending trade with China is too sweeping and disruptive a remedy for the president's purpose. That purpose is right, and the United States has a moral obligation to pursue it. The most effective means are the same diplomatic strategies that Washington uses in dealing with other countries.

A compromise, much discussed in past weeks, might be to try partial sanctions that ban, for example, only goods produced by state-owned enterprises, or by factories run by the Chinese army. Administering that sort of a partial cutoff would be, as a practical matter, difficult to the point of impossibility. Many of the Chinese products coming into the United States arrive by way of Hong Kong or other transhipment points and have often passed through many hands. Tracing these exports back to their origins in China would not be simple, and attempting it would merely be an invitation to complicated games of deception.

Few people have ever considered trade

sanctions to be the ideal lever to move China's Communist rulers toward a greater regard for their people's rights. The attempt to use sanctions originated after the government's bloody suppression of the democracy movement five years ago. Democrats in Congress, outraged by President George Bush's impatience of that exercise in despotism, tried to legislate trade retaliation because it was the only weapon legally available to them. The Washington Post had much sympathy for their effort. But with a president in office who takes human rights seriously, the case for resorting to trade sanctions is greatly diminished. That is why there has been little inclination in Congress this year to push for them.

The greatest threat to a centralized Communist regime in China is not a human rights campaign run from Washington but the profound social change within China generated by extremely rapid economic growth. It would be inaccurate to assume that it will necessarily lead to democracy. But in most countries rising incomes, better education and good communications tend over time to create a climate hospitable to human rights. That is not a bad reason to keep the trade flowing. Rather than going through the contortions of trying to bend present policy to meet past statements, Mr. Clinton would be wise simply to say that while his intention to keep pressing the principle of human rights remains strong, he has changed his mind regarding tactics.

—THE WASHINGTON POST.

## Mandela and the Bomb

The new government in South Africa will have its hands full trying to overcome decades of apartheid and the hatreds and divisions it engendered. But South Africa has another legacy to get rid of — the remains of its secret nuclear weapons program. With all the urgent tasks before it, Pretoria might need timely help from Washington to lay that legacy to rest.

Under former President F. W. de Klerk, South Africa became the first nation to ban its bombs after building them. In 1989 Mr. de Klerk halted construction of an atomic bomb and ordered the dismantling of the six bombs already built. In 1991 South Africa signed the Nuclear Nonproliferation Treaty, and two years later it publicly acknowledged the existence of its weapons program.

The treaty does not oblige signatories to reveal details of previous nuclear programs, but Pretoria has granted inspectors from the International Atomic Energy Agency access to its old nuclear sites and has volunteered extensive data on its uranium production.

South Africa did much of its bomb-making with machine tools and other technology produced independently, according to a report by David Albright of the Institute for Science and International Security. But it also had help from abroad. Pretoria has so far refused to identify its foreign suppliers. Identifying them would allow the United States to put pressure on them to not sell to other would-be proliferators.

—THE NEW YORK TIMES.

## Trouble for Tobacco

Ten years ago, a woman named Rose Cipollone gave a deposition in her suit against three cigarette manufacturers for damage to her health. "I thought it was cool to smoke, and grown-up," Then, she added, "I got hooked." A few months after her deposition Mrs. Cipollone died of lung cancer, so she never knew she had become the first person to be awarded damages — \$400,000 to her widow — in a smoking liability case. The ruling was overturned on appeal, and a retrial canceled because the Cipollones' attorneys found it too expensive to continue. They were not the first lawyers to be outgunned by the rich and powerful tobacco industry, but now the legal balance may be shifting, incriminating papers from industry files could give future plaintiffs a far greater chance to succeed.

Internal documents from Brown & Williamson Tobacco Corporation show that in 1963, just before the landmark surgeon general's report on the hazards of smoking, company executives knew just how hazardous their product was. Should they, as one executive advised, tell Surgeon General Luther Terry that their research had found that cigarettes caused or predisposed people to lung cancer, contributed to heart disease and might cause emphysema? Or should they keep their mouths shut? Brown & Williamson and other companies with which the research was shared through the Tobacco Industry Research Committee and later the Council on Tobacco Research, chose to remain silent.

The documents, said to have been stolen by a former employee of a law firm doing work for Brown & Williamson, are profoundly unsettling. Most unsettling, perhaps, are those written by Addison Yeaman, the company's general counsel. To read them is to be reminded of that old saw about the saddest words of tongue or pen being "It might have been."

One might cavil at Mr. Yeaman's hope that cigarettes would continue to deliver a "nice jolt of nicotine." But he suggested that the company "accept its responsibility," disclose

the hazards to Dr. Terry and openly conduct research to develop safer cigarettes. Rather than maintain its defensive posture, he argued, the industry should embark on a "massive and impressively financed campaign" either to dispel the hazards or, far more likely, discover which are the cancer-causing chemicals and "neutralize them." The industry didn't, and Rose Cipollone was indeed "hooked," and so, as an increasing body of evidence attests, are millions of Americans. The tobacco industry's favorite defense — that smokers are solely responsible for their own actions — may not cut much ice with juries confronted with evidence that the industry knew long ago that its product was both hazardous and addictive. The industry's boast that it has never had to pay or settle could become a thing of the past.

—THE NEW YORK TIMES.

### Other Comment

#### Singapore Behind the Times

That order in Singapore will not be sacrificed to a lawless young American is what the government communicated with every lash on Michael Fay's buttocks. But progress may be.

The connection between flogging and modernity is real. To most persons of modern sensibility, including me, the caning of Mr. Fay seemed wildly out of proportion to the crime. Singaporean officials commented that the practice of caning had been acquired from the British during colonial times. Of course, the British, the Americans, the West Europeans once used such punishments, but they have far "softer" punishments today. No witches are burned, no adulteresses branded, no heretics whipped. Affluence and democracy obviously discourage harsh punishment. Brutal punishments are associated with poverty, illiteracy and despotism. No wonder Singapore's officials feel so defensive.

—Jeanne Kirkpatrick in a syndicated column.

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## American Invasion Isn't What Haiti Needs

By Thomas Carothers

WASHINGTON — Scrambling to revive its moribund Haiti policy, the Clinton administration has decided to rule out a compromise with the country's military leaders and to broaden economic sanctions. The one certain effect of this new policy will be to greatly increase the possibility of U.S. military intervention.

Faced with the tightened embargo, which will go into effect next week, Haiti's rulers will not just throw up their hands and go. They will engage in political maneuvering, such as Wednesday's installation of the 80-year-old Supreme Court Justice Emile Jonassaint as "provisional president."

And they will continue their sickening game of chicken with the United States — clinging to power as the suffering in Haiti goes from terrible to truly horrifying, belying that the United States will lose its stomach for the embargo before it forces them out.

As the stalemate intensifies, the choices facing the Clinton administration will be increasingly stark and agonizing: to admit defeat and call for a lifting of the embargo, to hold tight and bear responsibility for enormous suffering in Haiti while it short and painless.

Faced with these choices, the administration may well go the military route. U.S. presidents can tolerate only so much defiance from tinpot强人 before they send in the marines as George Bush did in Panama in 1989.

Haiti has been a source of tremendous frustration for the Clinton administration. That frustration inevitably combines with the aggravations in Bosnia, Somalia, North Korea and elsewhere to create a besieged mentality in which some unexpected spark — a daytime massacre of dozens of Haitians, or the killing of a group of foreign relief workers — could push the president to order an invasion.

Military intervention in Haiti may look like a plausible way out of a perplexing policy dilemma. But a U.S. invasion — and it would be a U.S. invasion, even if Secretary of State Warren Christopher proves successful in his recent efforts to persuade Latin governments to provide multilateral support afterward — would be a serious mistake.

The political problem in Haiti is not simply that the military refuses to allow the Reverend Jean-Bertrand Aristide, the country's first freely elected president, to return. It is that Haitian society is profoundly polarized between an entrenched business and military elite, some of whom are violently anti-democratic and some of whom are not, and the great mass of ordinary Haitians, who deeply hate the elite and in 1990

chose a leader who promised a fundamental redistribution of power.

A U.S. invasion to "restore democracy," therefore, could not simply aim to pacify Haiti. It would have to shatter the hold of the violent, anti-democratic members of the elite by eradicating the web of thuggish armed groups that have asserted control across the country.

It would then have to be followed by a long-term occupation to check the extremists on both sides and slowly forge a moderate consensus, which has never existed in Haiti.

And it would have to be complemented by an extensive and costly long-range assistance program.

These tasks are enormous. Yet if the United States invades, Haiti will almost certainly do so trying to minimize its mission. President Bill Clinton could persuade the extremely reluctant Joint Chiefs of Staff to move only by assuring them that it would be a short-term pacification action. And Americans are likely to support an invasion only if it is short and painless.

Any military action would be designed as much to meet constraints at home as to confront the actual challenges in Haiti.

Even if the United States invades with a commitment to overseeing a long-term restructuring of Haitian society, it is unclear that it could succeed. One can scarcely point to a track record of American invasions leading to the transformation of highly underdeveloped countries with few democratic traditions into stable, functioning democracies.

Foreign occupations rapidly wear both the occupiers and the occupied. America might be hailed in Port-au-Prince, but it would soon be taking blame for the country's continuing troubles and looking for a way out.

Armed intervention poses problems of principle as well as practice. At root, the United States has no interest at stake in Haiti so compelling as to warrant unilateral military action.

Some people argue that America should promote democracy abroad by force. But an invasion of Haiti would not be widely seen as upholding such a principle.

The United States hardly blinked at the forcible negotiation of the elections in Algeria and the ouster of an elected leader in the former Soviet republic of Georgia in recent years. In the Western Hemisphere, few Latin Americans would be persuaded that it would invade other countries, say Venezuela or Brazil, in response to a coup.

The lesson the world would extract from an invasion would be that if a U.S. president is humiliated long enough by strengthen in a relatively powerless country with a history of American involvement in its internal affairs, he will send in the marines. This would not be an especially impressive lesson.

U.S. military intervention in Haiti will violate international law and thereby contradict U.S. efforts since the end of the Cold War to promote an international order based on heightened respect for the law. With

in the Western Hemisphere it would set back the goal of moving beyond unilateralism and developing a regional approach to the promotion of human rights and democracy.

Finally, an invasion would set a dangerous example for other regions where U.S. strategic interests are greater. Does Washington want to send a signal to Russia, for example, that it is acceptable for dominant regional powers to use force to solve their neighbors' internal political problems?

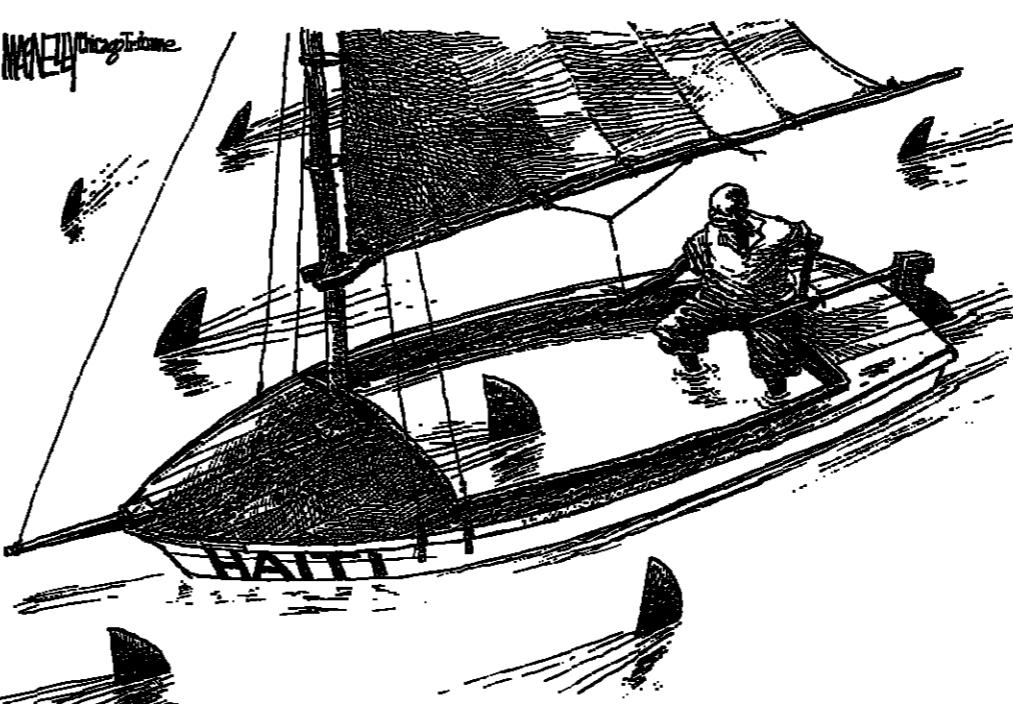
All the options are unsatisfying. Armed intervention is among the worst. The Clinton administration must instead consider alternatives that do not depend on the immediate return of Father Aristide, up to now a central part of U.S. policy.

An option that should be considered is the formation of a multiparty interim government, fully backed by the legitimately elected members of the Haitian Parliament.

This would be part of a United Nations-sanctioned negotiated accord that would permit a substantial UN force to oversee next year's elections and stay in place afterward to protect the results.

The paradox of Haiti policy is that the longer Washington holds out for the best of all possible worlds, the more likely it is to end up with the worst.

*The writer, a senior associate at the Carnegie Endowment for International Peace, is author of "In the Name of Democracy: U.S. Policy Towards Latin America in the Reagan Years." He contributed this comment to The New York Times.*



## History Must Have Its Due: Let the Germans Wait

By Flora Lewis

PARIS — Perhaps it is the resurgent fear that the ideal of a unified Europe is crumbling, particularly its crucial French-German core, which makes some people so impatient for new symbols that they want to use D-Day to demonstrate the close embrace by inviting Germany to the 50th anniversary.

It is inappropriate. Nothing said or done will change the fact that the Normandy landings were the spearhead of the Western allies' invasion to reverse and defeat the German conquest of Europe. That wasn't completed until May 8, 1945 (the Russians boycotted the surrender ceremony at Reims that day, so they celebrate May 9, when they took an other surrender in Berlin).

D-Day is about the past. Europe's terrible wars and what it took to overcome them. That must be remembered, lest lassitude, negligence, new grievances be allowed to release old demons again, as in ex-Yugoslavia.

The 50th anniversary of victory in Europe, and in Japan which ended World War II, is next year. That will

nearly a year between the landings and peace in Europe. For exactly the reasons offered by those who want to include Germany in D-Day rites as one of the liberated nations, its sturdy democracy, its eager and loyal dedication to a united Europe, its vital role in the Continent's affairs, there should be confidence that Europe is sufficiently robust to make each observance at its due time.

Both remembrance and solemn recognition of the achievements of Europe's transformation in the last half century are important. One cannot replace the other. As D-Day and V-E Day were part of the same war, these ideas are part of the same need now to make sure that history keeps moving in the direction of a peaceful, cooperative continent.

V-E Day will also be the time to include the Russians, and the other successor states whose men were part of the Soviet army. It will be a way of taking formal notice that the old demons, as they were again, as in ex-Yugoslavia.

There is no reason to fear acknowledging now, in separate and quite different ceremonies, the interval of

time. Peace might have been negotiated.

true feelings. As for network news programs, they are losing their audience by the day.

It is used to be that if it was on the evening news, it was news, because that was the only television news.

Today many people want their news unfiltered — from like-minded people, and stated in their own terms. The drawback here is that people are often choosing information delivered by demagogues appealing to fear, anxiety and prejudice through heated rhetoric and distortion. In the mass media these views are rarely heard, but in the stealth medium they often mean unchallenged.

Such conversations, uncensored and unedited, are occurring by the millions every day on 100-channel interactive television, on talk radio, in books and newsletters, and on the endless stream of talk shows spewing out hyper-cooked versions of "news."

Rap music is another channel on the stealth medium. The performer Ice-T calls rap "the black CNN," because it keeps people aware of street conditions.

Political candidates are going to have to learn to package messages aimed at extremely selective "virtual communities" that must be reached through their chosen form of communication. Political candidates have never had so many different ways to deliver messages, but the odds against reaching significant numbers of people with the message have never been greater.

What this means is that the members of these communities are uncensored, and its claims to accuracy and truth often go unquestioned. Equally important, the character of the information tends to be more emotional and, as a result, more reflective of people's

state sooner, sparing many lives. Winston Churchill, so sensitive to the danger of the Red Army charging across the Continent that he wanted the invasion launched in the southeast, "Europe's soft underbelly," instead of Normandy, nonetheless was adamant about surrender without negotiations. There was to be no grounds for repeating Hitler's claim that Germany was not really defeated in World War I but "stabbed in the back."

In the same awareness of what to avoid, the United Nations was organized so as not to imitate the failed structure of the League of Nations' Postwar policy on Germany and U.S. policy toward ravaged, impoverished Allies, though spurred by the growing confrontation with Moscow, was still a conscious effort not to repeat the mistakes that brought the Second World War just a generation after the First.

It worked. Western Europe has made such progress that war among its long hostile states is no



# LESSURE

## A Philippines Paradise Worth the Hassle



By Sherry Buchanan

**P**AMALICAN ISLAND, Philippines — I left Hong Kong cranky. The plane on the phone taking my reservation to this new dream island-hotel had not been helpful at all. So I would have to waste a few hours in Manila airport (nobody's idea of fun) to wait for the only connecting charter flight to Pamalican. They had to consider the Tokyo and Singapore flights too, she said. Fair enough, as that's where most of their business comes from.

At close to \$1,000 a night, I thought she could find a better excuse and at least offer a private charter. But she didn't; she was definitely a product of the bubble economy and had yet to discover the meaning of low-occupancy rates.

On top of that was traveling on the first day of the Chinese New Year of the Dog auspicious for the Chinese but the only dog reference I could think of was, "It's a dog's life."

When I got to the small airport where guests board the twin-engine plane for paradise, the sign read: "The following are prohibited on board: fresh/dried fish, pets [picture of bird], explosives, intoxicated persons and persons with contagious disease [picture of a spotty face]." I feared the worse.

Once on board it was hot and the small

plane had no air conditioning. Resignation set in. Fasten your seat belts and welcome to another episode of P. J. O'Rourke's Holidays Cut.

The camera moves to the opening shot of the plane landing on Pamalican Island, one of the Cuyo chain in the North Sulu Sea, and home to Amanpulo, a resort of 40 "pavilions" built in a modern version of the traditional Filipino *bahay kubo*.

Opened in December, it is the fifth and newest Amanresort, which, in Asia, is a new concept in small luxury hotel design and pricing. Other resorts are in Phuket in Thailand, Bali and Moyo, an island near Bali.

As I set foot on the dirt runway at dusk, with the backdrop of a sea made emerald green by the coral reef that surrounds this small island, the magic set in.

Amanpulo or "peaceful island" ranks high, even by island-retreat standards.

"Most of our guests become addicted," the guest relations person told me when she showed me to the secluded, softy lit pavilion in shades of white and toast, a bottle of champagne in its ice bucket waiting and an electronic harp playing in the background.

"How do I turn off the piped music?" I asked in a last panic attack brought on by remnants of urban stress. After all, I was a refugee from the music-filled shopping malls of Hong Kong and I was worried

about not being able to control my own sounds.

She looked at me with a smile of indulgence and showed me the compact disk player — of course, it wasn't piped in, but she did — and informed me that there was a CD library to choose from.

The palms had the perfect windswept look, and you could have sworn Gianna kept touching up the crystal-clear water in shades of aquamarine, sapphire blue, emerald green turning to silver and gold toward evening, with the mountainous island of Manamoc as the perfect backdrop.

After beachcombing, reading and napping at the sea from their private wooden decks, a few guests drift back to the beach club where "no problemo" Nicky, a Fil-Am brought up in Hawaii and now seeking refuge from overcrowded Waikiki beach, organizes sailing, fishing, water skiing, diving, snorkeling.

"This is the kind of place where a guy comes running toward you with a towel the minute you step out of the water," says Emmmanuel de la Baume, a French businessman based in Hong Kong who was staying at the hotel.

Morning at Amanpulo, not a soul on the beach. Translucent white crabs with eyes on stilts scurry across the beach, while pastel-colored hermit crabs take their time. Bits of white and pink coral and perfectly formed shells wash up on the beach from the coral reef.

Sherry Buchanan is a journalist based in Hong Kong.

## Gourmet Cooking Classes, Junior Division

By Susan Kesselko Coll

**L**ONDON — A semblance of basic culinary skills, coupled with some elementary French, might come in handy when following a recipe at a Cordon Bleu cookery class. Should either of these pose a problem, just ask one of the students for help:

"What's that you are putting in the middle there?" one student is asked, referring to the *creme d'amande* used to fuse together a pinwheel shaped pastry.

"French pastry stuff!" is the confident reply.

Meanwhile another student — clad impressively in a chef's hat and white apron bearing the insignia of this prestigious academy — seems precariously close to tears as he struggles to shape his wad of dough into something resembling a croissant. Summoning the instructor to his side he cries: "There's too much flour on this. I can't seem to stick it together."

One pupil, who has already filled her tray with delectable if not precision-made pastries, impatiently awaits the next instruction with one hand on her hip, noisily licking bits of batter of the fingers of the other.

If such behavior falls short of the mark one might expect from an institution that has produced the likes of Julia Child, go easy. These are not your average would-be pastry chefs; these are students of Les Petits Cordon Bleus, and some of them are lucky just to reach up to the table.

Following the success of a similar pro-

gram at the flagship school in Paris, these classes for 7-to-14-year-olds are now in their second year of operation here. Given the popularity of these two-hour Saturday morning courses school principal Leysey Gray is now considering setting up workshops during the summer school holidays.

With menus ranging from *croquettes de saumon* to *salade à la Grecque* to pizza — which one student boasts turned out "better than Pizza Hut" — Gray claims to be surprised by the program's success. "The children have become so keen," she says, "they want to come back next term."

Divided by age into two groups, the younger students on this particular morning are led by teaching chef Claire Clark, who reports that most of the kids in her group have signed up just to have fun. But, says Matthew Hardy, who leads the older group, not all the children are there by choice: "We had one little boy who wanted to play football," he reports, but

after a few sessions, the boy did eventually warm to the idea of cooking.

Yet others are here with a mission. Eleven-year-old Nick says he is on his 20th cooking lesson because he plans to open his own restaurant, but he hasn't yet decided whether to feature Italian or French cuisine.

"If you know how to do it, it's pretty easy," he says, molding complex geometrical shapes out of dough.

Meanwhile, some of the younger children in the group have made improvements on the fine art of *pâtisserie*. Asked whether they would like to make a drawing of the shapes they have learned this morning, the reply from one 8-year-old is terse: "No," he says, "we'll just make up our own."

The classes, which run in either five- or 10-week sessions, are part of an effort to introduce children, in this age of fast food, to cooking. Gray describes another program, sponsored in part by Le Cordon Bleu, in

which well known chefs visit local primary schools to talk about food. Gray sees a need to catch children's interest at a young age. "Most are from families where it comes straight out of the freezer and into the microwave," she says.

Things weren't always so bleak. In a previous era, children were taught to cook in school, but now, Gray reports instances of cookery classrooms being converted into computer classrooms. It seems that, if children want to learn to cook outside the home, the lessons may have to come privately.

Before writing that £250 (\$375) check in the hopes that your young one will hop out of bed on Sunday morning to prepare a fancy breakfast, a word of warning: the fine art of washing up does not seem to be included as part of the educational package.

Susan Kesselko Coll is a free-lance writer living in London.

## THE MOVIE GUIDE



"Backbeat," a musical creation myth that captures the Beatles on the verge of fame and fortune.

**Backbeat**  
Directed by Iain Softley.  
Britain.

At a time when there's much talk about a Beatles reunion, Iain Softley's vivid "Backbeat" celebrates the union. A musical creation myth, it captures the Beatles on the verge of Beatmania as a pre-Fab Five ready to elevate from the earnest assimilation of American rock and rhythm and blues to the consummate artistry of their own original songs, none of which is heard in "Backbeat." That's a brave commercial decision, but an accurate reflection of a time, roughly 1960 to '62, when the Beatles' repertoire was fueled by the adrenalin of youth, not the nostalgia of middle age. In fact, this is not the band you've known for all these years, though John Lennon (Jarl Hart) is clearly the center of the Sturm und Drang. While Paul McCartney (Gary Bakewell) and George Harrison (Chris O'Neill) are present, Pete Best (Sot Williams) is the drummer — and all three are peripheral characters. The Beatles' birthing drama begins in Liverpool and finalized in Hamburg is midwifed by two crucial but little-known figures: Stu Sutcliffe (Stephen Dorff) and Astrid Kirchherr (Sheryl Lee). Sutcliffe was the Beatles' original bass player, brought into the band by his art school pal Lennon. A totally inept bassist but a gifted painter, Sutcliffe died of a brain hemorrhage in 1962 and, until now, has been confined to footnotes. Once the Beatles arrive at the notorious Reeperbahn strip, they are forced to get their act together. All 18 (except for the 17-year-old Harrison), these Beatles are undeveloped musically and emotionally. Enter art-

ist-sophisticate Klaus Voorman (Kai Wiesinger) and his girlfriend, Astrid Kirchherr, part of an artsy crowd. Voorman is fascinated by the Beatles' raw power, and Teddy Boy roughness, but Kirchherr sees something more and gradually exerts a profound influence. Working with a time period and two crucial characters probably not too familiar, Softley needs a great performance, and he gets it from Hart. Dorff, an American, is credible as Sutcliffe, a tortured soul uncomfortable in the lime-light, yet strong enough to walk away from it all. Of course, no one could have guessed what "it all" would soon mean, and one of the few mistakes made by Softley is crystal-balling what's ahead.

(Richard Harrington, WP)

**Alegre Mi Non Troppo**  
Directed by Fernando Colomo, Spain.

*Poco a poco*, Spanish comedies seem to be getting funnier and more clever while relying less on tired old routines and even coarse attempts at humor. "Alegre Mi Non Troppo" (Quick But Not Too Fast) Colomo directed and cowrote the latest example of this new breed of movies that truly make you smile. Stu Sutcliffe (Stephen Dorff) and Astrid Kirchherr (Sheryl Lee). Sutcliffe was the Beatles' original bass player, brought into the band by his art school pal Lennon. A totally inept bassist but a gifted painter, Sutcliffe died of a brain hemorrhage in 1962 and, until now, has been confined to footnotes. Once the Beatles arrive at the notorious Reeperbahn strip, they are forced to get their act together. All 18 (except for the 17-year-old Harrison), these Beatles are undeveloped musically and emotionally. Enter art-

school kids it portrays, the film's nonetheless sedentary pace and never sentimental. Director Hartoaki refuses to judge and consequently reveals a high school world as exhilarating and as seductive as the real thing.

(Donald Richie, IHT)

**Padre e Figlio**  
Directed by Pasquale Pozzessere, Italy.

Pasquale Pozzessere's "Padre e Figlio" (Father and Son) is a sweet, dramatic, and even brutal cinematic confrontation generated by the clash of two incomparable visions of life and ambition.

Corrado (Michele Placido)

is the night watchman at the port of Genoa, who was dismissed from his factory job for his union activity. Gabriele (Stefano Dionisi), Corrado's son, has recently returned from a tour with the navy. Each is typical of his generation, and the gap between them is virtually unbridgeable.

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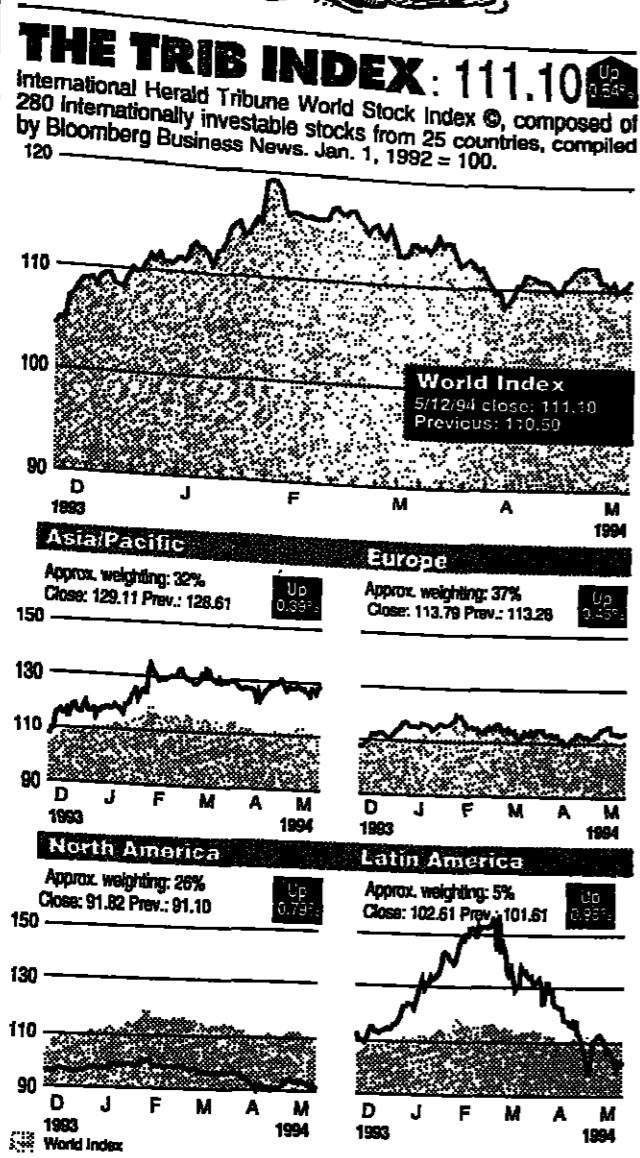
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# BUSINESS

International Herald Tribune, Friday, May 13, 1994

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The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentine, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Sweden, Switzerland and Venezuela. For Tokyo, New York, New York and London, the index is composed of the top 20 issues in terms of market capitalization, otherwise the top 10 stocks are tracked.

Industrial Sectors							
	Th. close	Prev. close	% change	Th. close	Prev. close		
Energy	112.11	111.36	+0.57	Capital Goods	111.23	110.50	+0.66
Utilities	116.81	116.84	+0.55	Raw Materials	124.23	123.49	+0.60
Finance	116.90	116.37	+0.46	Consumer Goods	96.17	95.50	+0.70
Services	114.98	114.21	+0.68	Miscellaneous	125.38	126.43	-0.83

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 161 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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## WALL STREET WATCH

### A Utility Shocks Investors

By Agis Salpukas  
New York Times Service

**N**EW YORK — Many owners of utility stocks are older people who depend heavily on dividends for income. They are largely passive investors concerned mostly with cashing dividend checks. They know little about the companies they own or the trends in the industry because they are apt to have others, such as brokers, choose the companies to buy.

Such investors had better start paying attention. Some utilities, after paying ever-increasing dividends, have begun to cut back those payouts to prepare for tougher competition ahead.

For current shareholders, such dividend cuts are a blow, reducing their annual yields and the stock price. But for new investors, the stocks of companies making such cuts might become more attractive because of the potential for both increasing dividends and rising share prices.

On Monday PPL Group, the parent of Florida Power & Light Co., stung its shareholders with such a dividend cut, slashing it by 32 percent, to 42 cents a share from 62 cents.

The action caught shareholders off guard. They have enjoyed small dividend rises for 42 straight years. Moreover, Florida Power & Light is not facing any financial squeeze. Utilities have generally cut dividends only when facing strains caused, for example, a denied rate increase.

James L. Broadhead, chairman of Florida Power & Light, conceded there was no immediate financial problem on the horizon that could put the utility at a disadvantage with its rivals soon.

Some utilities are worrying about future competition because of a recent California Public Service Commission proposal that would let major industrial customers shop for power wherever they wanted in 1996. Though the move would put only

California utilities under pressure at first, such competition is expected to spread to other states.

But Mr. Broadhead said that Florida was not headed in that direction. Even if it did, he said, only 4 percent of Florida Power & Light customers are industrial clients who could shop elsewhere.

Explaining the company's dividend cut, Mr. Broadhead called PPL Group one of the industry's most generous companies, paying out 90 percent of earnings in dividends. It had reached so high a level, he said, that it faced the prospect of a dividend freeze. Such a freeze, he said, would have eventually frustrated shareholders.

Instead, he said, it was decided to take a large cut and bring the utility more in line with many rivals that pay about 60 to 65 percent of their earnings in dividends.

PPL Group will use some savings to buy back about 10 million outstanding shares, a move that could strengthen the share price. Mr. Broadhead said that shareholders could benefit not only from a higher stock price but also from the fact that capital gains are taxed at a lower rate than dividend income.

By lowering the payout rate, he said, the company will also be able to increase dividends again. He said a dividend increase of 5 percent was a good bet for February.

While that may be fine for those buying the stock now, current investors are still reeling. The utility's stock fell by \$4.375 a share on Monday on the New York Stock Exchange, to \$77.50, and has since rebounded only to about \$29.25.

Nathan Partain, the utility analyst for Duff & Phelps, said the contention of gains in the long haul does not help many shareholders who depend on the dividend. "You tell them that over the long term you will increase their value," he said, "but they have to eat next week."

By Richard M. Weintraub  
Washington Post Service

**WASHINGTON** — Two air carriers with long histories of special service to their countries are locked in an unusual battle that likely will be resolved only by a decision of the White House.

The Israeli government has told the United States that it is unwilling to give World Airways rights to fly to Tel Aviv because it could endanger the economic survival of its national airline, El Al, according to officials familiar with the com-

pany.

El Al is essential to Israel's national security, the Israelis reportedly argued, noting that during the Gulf War it was the only airline to continue service between the United States and Israel.

During that same war, however, World was ferrying thousands of U.S. troops and tons of supplies to Saudi Arabia, continuing a role it has played since the Korean War as a major supplier of contract air services to the Pentagon.

Since the end of the Cold War and the downsizing of the U.S. military, however, that part of World's business has been less certain and World officials say expansion into scheduled international business is essential for its survival.

Officials at the Transportation Department said they believe the air treaty between the United States and Israel supports World's request for three flights a week between New York and Tel Aviv.

World has asked for sanctions against Israel, an issue that would have to be discussed first between the Transportation and State Departments and ultimately at the White House, given the foreign policy considerations involved.

World has hired Sylvie de Leon of Akin Gump Strauss, Hauer and Feld to lobby on its behalf.

"It would send an unfortunate message to our other trading partners if we would not take action to enforce the terms of this agreement," Ms. de Leon said.

## CURRENCY & INTEREST RATES

May 12/May 11									
Eurocurrency Deposits									
	S	E	D.J.M.	F.F.	L.P.S.	D.F.L.	S.F.	Yen	C. Pesos
Amsterdam	1.745	1.745	1.745	1.724	1.717	1.705	1.705	1.705	1.692
Brussels	1.745	1.745	1.745	1.724	1.717	1.705	1.705	1.705	1.692
Frankfurt	1.59	1.59	1.59	1.58	1.58	1.58	1.58	1.58	1.58
London	1.59	1.59	1.59	1.58	1.58	1.58	1.58	1.58	1.58
Paris	1.59	1.59	1.59	1.58	1.58	1.58	1.58	1.58	1.58
Tokyo	1.59	1.59	1.59	1.58	1.58	1.58	1.58	1.58	1.58
Zurich	1.59	1.59	1.59	1.58	1.58	1.58	1.58	1.58	1.58
May 12	1.745	1.745	1.745	1.724	1.717	1.705	1.705	1.705	1.692
May 11	1.745	1.745	1.745	1.724	1.717	1.705	1.705	1.705	1.692

## Key Money Rates

May 12									
May 11									
Other Dollar Values									
Currency	Per \$	Current	Per \$	Currency	Per \$	Current	Per \$	Current	Per \$
Argentina peso	Per 1	1.4917	1.4917	Greece drach.	Per 5	3.6255	3.6255	3.6255	3.6255
Australia dollar	Per 1	1.6452	1.6452	Hong Kong \$	Per 100	7.725	7.725	7.725	7.725
Austria schill.	1.2857	1.2857	1.2857	Iceland króna	1.2021	1.2021	1.2021	1.2021	1.2021
Brazil real	1.2211	1.2211	1.2211	Irish £	1.2155	1.2155	1.2155	1.2155	1.2155
Chinese yuan	0.2767	0.2767	0.2767	Italian lire	1.2045	1.2045	1.2045	1.2045	1.2045
Czech koruna	35.27	35.27	35.27	Portuguese escudo	1.2165	1.2165	1.2165	1.2165	1.2165
Danish krona	1.2257	1.2257	1.2257	Swiss franc	1.2145	1.2145	1.2145	1.2145	1.2145
French franc	1.2254	1.2254	1.2254	U.S. dollar	1.2145	1.2145	1.2145	1.2145	1.2145
German mark	1.2254	1.2254	1.2254	Yen	1.2145	1.2145	1.2145	1.2145	1.2145
Italian lire	1.2254	1.2254	1.2254	May 12	1.2254	1.2254	1.2254	1.2254	1.2254
May 11	1.2254	1.2254	1.2254	May 11	1.2254	1.2254	1.2254	1.2254	1.2254
To buy one pound: £1. To buy one dollar: \$1. To buy one franc: 1.2254. To buy one yen: 1.2254. To buy one Swiss franc: 1.2254. To buy one German mark: 1.2254. To buy one Italian lire: 1.2254.									

Sources: I.M.C. Bank (Amsterdam); Industrial Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de Paris et des Pays-Bas (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); Société Générale (Paris); UniCredit (Milan); Unicredit (Milan); CIBC World Markets (Montreal); and Reuters.

## Koreans, Again, Challenge Japan Bid to Break Hold on Flat-Panel Computer Screens

By Andrew Pollack  
New York Times Service

KIHEUNG, South Korea — Having smashed Japan's control of the computer memory-chip business, South Korea's electronics giants are now poised to break another Japanese near-monopoly, this one over the production of advanced flat-panel computer screens.

The Korean entrance into the flat-panel-business could lead to lower prices for notebook computers. It could raise questions about the necessity of a program recently announced by the U.S. government to provide up to \$600 million over five years to help develop an American screen-manufacturing industry.

Samsung Electronics Co. and Goldstar Co. said that next year they plan to begin mass production of active-matrix liquid crystal displays, or LCDs, which are used in advanced color notebook computers and in portable televisions.

While initial production rates will be small, the implications could be huge if the Korean companies can repeat the success they had in memory chips, another business once nearly controlled by the Japanese.

After less than a decade of production, Korean manufacturers now supply about one quarter of

the world market for dynamic random-access memory chips. Samsung is the world's biggest supplier.

"When you look back at the semiconductor industry five years ago, the situation was just

the same as it is in the LCD industry today," said Cho Kwang Ho, president of Goldstar's LCD division.



# Profit Jumps At Grand Met, But Sales Slip

Copied by Our Staff From Dispatchers

LONDON — Grand Metropolitan PLC said Thursday its pretax earnings jumped nearly 10 percent as improved food sales outweighed slumping demand for alcoholic drinks.

The food and beverage conglomerate, which owns Burger King, Häagen-Daz and Smirnoff vodka, earned a pretax £445 million (\$655 million) in the first six months of its fiscal year, compared with £407 million in the comparable year-ago period.

The company said operating profit from its branded food division rose to £147 million on sales of £1.67 billion, up from profit of £1.12 million on sales of £1.61 billion the previous year. Food retailing profit rose to £73 million from £61 million.

But profit at its International Distillers & Vintners unit fell to £254 million from £258 million as sales slipped to £1.661 billion from £1.675 billion.

Overall sales fell to £3.92 billion from £4.09 billion.

Allen Sheppard, the chairman of Grand Met, said he was pleased with the results, especially the positive impact from the economic recovery in the United States. But struggling economies in Europe and other markets kept the company's outlook cautious.

The company's shares tumbled nearly 6 percent on disappoint-

ment with the results, finishing at 4.56 pence on Thursday.

Analysts said they were disappointed mostly with the drop in profits in the distilling division.

"Obviously the North American market for JDV is a little worse than we thought," Colin Davis, a brewery analyst at Goldman, Sachs & Co., said of the distilling division's results.

The distilling division's North American earnings slumped 1 percent, contrasting analysts' expectations for 4 percent increase. Almost 50 percent of the distilling division's sales by volume are concentrated in North America.

To improve profitability, the distilling division lowered its U.S. stockpiles. That move reduced profit in the first half and will result in a one-time pretax charge of £40 million for fiscal 1994.

"The North American charge was a big surprise," Mr. Davis said.

Adding to the distilling division's problems, Grand Met lost the rights to distribute best-selling Absolut Vodka and Grand Marnier liqueur in the United States.

Sagram Co. had been expected to assume the distribution rights to Absolut after September, but the companies agreed instead to transfer the brand in January 1994.

Despite the problems at distilling division, Grand Met raised its first-half dividend by 6.2 percent, to 15 pence.

(AFP/Knight-Ridder/Bloomberg)

which are only in the United States, sell Armani casual clothing.

Simint said it can cover 140 billion lire of the loss out of its reserves while Mr. Armani and other shareholders have posted credits for the remaining amount. How much they actually will pay depends on what price Simint receives for the A/X stores.

Simint said it expected the sale to be completed before a special shareholders meeting on June 15.

Simint also said it plans to sell or close enough units to get its annual sales down to around 250 billion lire. It did not say what its sales were in the first 10 months of its year, but in 1992 it had sales of 377 billion lire and a narrow 1.6 billion lire profit.

"Such a level should be considered only a

## Sun Shines on Swedish Banks Nordic Lenders Are Emerging From Crisis

Reuters

STOCKHOLM — Two of Sweden's largest commercial banks, Skandinaviska Enskilda Banken and Svenska Handelsbanken, seem to be leading Nordic banks in a race for recovery from the heavy losses of recent years.

The two Swedish banks, which reported strong first-quarter results in recent weeks, may be best positioned for a resurgence among many Scandinavian banks just now regaining their footing after widespread speculative lending during the 1980s, particularly in real estate, precipitated the worst region-wide banking crisis in history, analysts said.

A major reason for the optimism on the Swedish banks, added some observers, is that unlike many other Scandinavian banks, they avoided succumbing to government control when bankruptcy loomed as a real possibility.

Two large Norwegian banks, for example, Den norske Bank AS and Christiania Bank Og Kreditkasse, are now state-controlled, after their deep-in-the-red balance sheets of several years ago were rescued by the Norwegian government. Oslo pumped 22 billion kroner (\$3 billion) into the country's banking sector to keep it afloat, and now owns 87 percent of DNB and 69 percent of Christiania.

DNB plans a capital expansion of about 2 billion kroner within the next month, the first step in its reprivatization aimed at cutting the state's stake to about 70 percent. Christiania made a similar issue late last year.

Bo Engstrom, a banking analyst at James Capel & Co. in Stockholm, said he had sharply upgraded his forecasts for SE Banken and Handelsbanken, but that he saw some uncertainties ahead.

"It's been about saving your own skin in recent years, so we shall see how what follows this phase, when they've got control over their loan losses," he said. "They prioritize different things, these banks; broadly speaking, Handelsbanken puts costs first and SE Banken puts income first."

In this year's first quarter, SE Banken reported net profit of 1.38 billion kroner (\$177 million), compared with a loss of 608 million kroner in the comparable quarter last year. Handelsbanken's net operating profit more than tripled, to 1.24 billion

kroner, from 316 million kroner in the first quarter of 1993.

Analysts say the shares of the two companies are undervalued by the market, and that they should provide returns near the European sector average in 1994.

For SE Banken, for example, which made a pretax profit of 679 million kroner in 1993, James Capel this week raised its 1994 full-year forecast to 2.6 billion kroner from a previous estimate of 1.9

billion kroner. That corresponds to earnings per share of 4.8 kroner, up from the previous forecast of 3.5 kroner.

For Handelsbanken, analysts are forecasting 1994 net earnings of around 4.5 billion kroner, or 13 kroner per share. Handelsbanken shares closed at 111 kroner on Wednesday, up from 107, while SE Banken shares closed Wednesday at 53 kroner, unchanged from Tuesday. The Stockholm Stock Exchange was closed on Thursday.

Both of these banks were at the peak of their difficulties in 1992, with Handelsbanken charging 8 billion kroner against earnings for loan losses that year, and SE Banken booking 10.9 billion kroner to cover its bad-debt costs.

After first turning to the state for aid, both banks managed to avoid government ownership by completing large rights issues in the autumn of 1993, taking swift advantage of a phase of strength and intense foreign interest in the Stockholm Stock Exchange.

Other Swedish banks were less lucky. Gota Bank and Nordbanken collapsed and are now only starting to return to health following a forced merger by the state. Finnish and Norwegian banks have also recovered more slowly.

## VW Names New Board Members At SEAT

Bloomberg Business News

MADRID — Ferdinand Piëch, chairman of Volkswagen AG, reorganized the directors of SEAT at a board meeting on Thursday, but he stopped short of replacing the Spanish subsidiary's president.

Juan Llorens will remain at the helm of SEAT, or Sociedad Espanola de Automoviles de Turismo SA, in spite of considerable speculation that Mr. Piëch intended to replace him at the special meeting of the board held in Barcelona.

"What has happened is they've put together a young, cohesive, aggressive team that has total support of the Volkswagen group and strengthens the position of president Juan Llorens," said Rafael Casas, spokesman for SEAT.

Although Mr. Llorens will stay, Mr. Piëch made three appointments to the board who are expected to be loyal to VW and to José Ignacio López de Arriortua, the controversial VW vice president known for his expertise in cutting costs.

The vice president for finance, Roland Schober, was replaced by Lutz Claassen, a 31-year-old who had been a member of the task force named by Mr. Piëch in March to reorganize SEAT.

SEAT posted a loss of 1.8 billion Deutsche marks (\$1 billion) in 1993, accounting for nearly all the losses suffered in 1993 by Volkswagen AG, which were calculated at 1.9 billion DM.

"SEAT has been run as a hands-off operation, and last year they were given a bit of breathing space," said Glyn Liddy of Kleinwort Benson Securities in London.

"The implication to date is that they have failed to come up with the goods. They've failed to meet their projections."

These projections have often been overly optimistic. Mr. Piëch had even considered suing SEAT's former management over last year's income projections, according to an interview published in the Spanish daily El País in January.

Mr. Piëch accused SEAT of estimating 1993 losses at 150 million DM while concealing internal reports that showed losses that were really 10 times that figure.

VW put together a rescue package valued at 1.2 billion DM to bail out the Spanish subsidiary, and it implemented a series of strict cost-cutting measures.

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2000	300	200
2200	300	200
2100	300	200
2000	300	200
1900 D J F M A M 1993	3000 D J F M A M 1994	2000 D J F M A M 1993
1994	3000	2000
Exchanges	Index	Close
Amsterdam AEX	Closed	442.57
Brussels Stock Index	Closed	7,821.41
Frankfurt DAX	Closed	2,243.53
Helsinki HEX	Closed	1,859.58
London FTSE 100	2,494.30	2,491.50
Madrid General Index	322.32	320.90
Milan MIB	1,296.00	1,307.00
Paris CAC 40	Closed	2,176.74
Stockholm Aktienvärlden	Closed	1,865.25
Vienna Stock Index	Closed	N/A
Zurich SBS	Closed	936.37

Sources: Reuters, AFP

International Herald Tribune

## Very briefly:

- Microsoft Corp. and Lotus Development Corp. filed charges against Uniao de Bancos Portugueses for pirating software after discovering more than 300 unregistered copies of software operating on bank computers.

- Repsol SA, the Spanish petrochemical company, earned a net 26.2 million pesetas (\$189 billion) in the first quarter, a 12 percent increase from the 1993 quarter, as higher refining and chemical margins offset lower crude prices.

- Olivetti SpA, the Italian computer and office equipment maker, said sales on an annualized basis rose 6 percent in the first four months of 1994, while new orders climbed 11 percent.

- Rimini Adriatica di Sicurtà SpA, the Italian insurance company, said its net profit tripled in 1993, reaching 355 billion lire (\$222 million), on improved results from both its insurance and investment sectors.

- Spain's gross domestic product grew 0.5 percent in the first quarter from the 1993 quarter and 1 percent from the fourth quarter of 1993.

- Transportes Aéreos Portugueses SA, known as TAP-Air, plans to reduce U.S.-based staff by 40 percent and close its New York sales office to cut costs amid slumping sales.

Bloomberg, AP, Reuters, Knight-Ridder

## Spain Passes Labor Package

Reuters

MADRID — The Spanish Congress gave the final go-ahead on Thursday to a series of labor changes aimed at making it easier for employers to hire and fire.

The measures, due to be put into effect by mid-June, form the core of a package of labor changes. Some elements of the package were passed earlier this year.

The changes were introduced unilaterally by the government in

December after lengthy negotiations with unions and employers broke down. They include grants for employers who hire disabled workers or workers over 45 and widen the conditions under which people can be fired.

Union leaders called a nationwide general strike in January to protest the measures. "Today is a black day," said Candido Méndez, leader of the General Workers' Union. Unions would continue to reject the changes, he said.

## BA Rejects French Warnings on Its Orly Flights

Agence France-Presse

LONDON — British airlines, supported by the government, were openly defying French authorities on Thursday and insisting that they would begin flights to Orly airport in Paris next week, despite severe warnings.

"Our position remains the same," said a British Airways spokesman, ignoring protests from Bernard Bosson, the French transport minister. Mr. Bosson said Thursday that France had rejected BA's "strong-arm tactics."

BA said: "We have the rights

and the slots, and we will be starting our first London-to-Orly flights on Monday with a Boeing 767 leaving Heathrow at 6:50 A.M. and arriving at Orly at 8:35 A.M."

Mr. Bosson said Wednesday that flights between Orly and London did "not respect regulations and therefore will not be allowed to start."

The French civil aviation authorities then warned British carriers not to undertake flights into Paris-Orly and that it would take "all necessary measures" to ensure that French law was respected.

want you to come and we will find some excuses for that," said James Halsford of Crédit Suisse.

The EU decision forced France to open three routes to competition: Orly-London, Orly-Marseille and Orly-Toulouse.

### SAFRA REPUBLIC HOLDINGS S.A.

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Dividend Payment

At the Annual General Meeting of Shareholders held in Luxembourg on May 11, 1994, it was resolved that a dividend of US\$ 2.75 per common share be payable for the year 1993.

The dividend in respect of bearer shares will be payable from May 31, 1994 upon surrender of coupon N° 6 at the counters of the Company's paying agents:

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Republic National Bank of New York [Luxembourg] S.A., Luxembourg  
Republic National Bank of New York, London  
Union Bank of Switzerland, Zurich  
Union Bank of Switzerland, Basel  
Swiss Bank Corporation, Basel  
Crédit Suisse, Zurich

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Values include the unadjusted prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

**(Continued)**



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 - COBEJN, ZÜRICH - GENEVA - LIECHTENSTEIN: HUEB, VACUZ  
 UNITED KINGDOM: MAPPIN & WEBB, LONDON - SAUDI ARABIA: AL-GHAZALI, RIYADH  
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10. The following table shows the number of hours worked by 1000 employees in a company.

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## U.S. and Japan Restart Trade

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# U.S. and Japan Moving To Restart Trade Talks

Compiled by Our Staff From Dispatches

TOKYO — The frozen trade negotiations between Japan and the United States seemed likely to thaw on Thursday as officials from both sides of the Pacific said the governments wanted the talks to resume.

Japanese officials said Foreign Minister Koji Kakizawa would meet Warren M. Christopher, the U.S. secretary of state, before the Group of Seven industrial countries summit in July. Mr. Kakizawa telephoned Mr. Christopher late Wednesday, the officials said, securing an invitation to visit Washington ahead of the summit, which is to be held in Naples.

In February, America and Japan broke off their so-called framework talks after President Bill Clinton and Morihiro Hosokawa, the former prime minister, failed to resolve significant differences over measures progress.

The talks were aimed at opening Japanese markets in four areas: government procurement of medical equipment, telecommunications, insurance and automobiles. The United States wants progress in opening the market to be measured by objective standards, but Japan has maintained that estab-

lishing desired market shares — a likely criterion — would be contrary to principles of free trade.

Mr. Kakizawa also met Walter F. Mondale, the U.S. ambassador to Japan, on Thursday to discuss resuming trade talks. Officials quoted Mr. Kakizawa as saying, "Acting as a go-between, I would like to make every effort to convince other Japanese ministries to resume the negotiations before the summit."

Mr. Mondale was said to have replied that the United States shared "the same hope."

Earlier in the day, Mr. Mondale and Trade Minister Eiji Hata agreed that both nations should make efforts to get the stalled trade negotiations back on track.

Separately, Yotaro Kobayashi, the head of Fuji Xerox Co. and acting chairman of the Japan-U.S. Business Council, said Japan should devise its own objective criteria as a means of restarting the trade talks.

Mr. Kobayashi said it was "not a difficult task" to make a qualitative evaluation of U.S. access to Japanese markets by employing some acceptable yardstick to measure progress.

The United States and Japan had agreed to objective criteria in July

1993 when then-Prime Minister Kiichi Miyazawa met with Mr. Clinton, and it should be possible for the two nations to agree to a "mutually desired state," Mr. Kobayashi said.

Mr. Clinton clearly stated in the wake of the collapse of the trade talks in February that America was not demanding "numerical targets," and Mr. Kobayashi questioned why the Japanese government did not take up on this point to pursue alternatives.

Mr. Kobayashi also said the Japanese side should take the initiative in coming up with workable criteria, adding that it would be more effective if the private sectors in both countries, rather than the governments, took up the issue. He said a task force of the Japan-U.S. Business Council was working to come up with suggestions for objective criteria in time for the Group of Seven summit in July.

Despite the signs of progress on Thursday, Prime Minister Tatsuya Hata told Parliament that the U.S. call for objective criteria of measuring the progress contradicted his goal of streamlining government regulations.

(AFX, Knight-Ridder, AP)

## Economy Crimps Japan's Tool Firms

Bloomberg Business News

TOKYO — For the first time in 29 years, Amada Co. and Toyota Machine Works Ltd., two leading Japanese machine-tool makers, reported Thursday losses at the end of their financial years. The companies blamed the slides on drastic cutbacks in capital investment among cash-strapped Japanese manufacturers.

Amada, which makes equipment to cut, stamp and bend metal, Thursday reported a loss of 4.32 billion yen (\$42 million) for the year ended March 31. Toyota Machine Works, which produces power-steering components and axles for Toyota Motors Co., as well as various machine tools, announced a loss of 3.43 billion yen for the same period.

Both companies' fortunes are tied to the health of the Japanese economy. When times are hard, as they have been in Japan for the past three years, manufacturers do not purchase the equipment that tool-makers produce. "They have really been hammered by the weakness in domestic demand," said Peter Rawle, an industry analyst at Smith New Court Securities in Tokyo.

The same might be said for the entire machine-tool industry in Japan, analysts said. Through the end of March, orders to major Japanese machine-tool makers had fallen for 40 straight months, according to the Japan Machine Tool Builders Association, a trade group. Machine-tool orders during the 1993 financial year, which ends March 31, totaled 515.72 billion yen. This year, which ends March 31, totalled 515.72 billion yen.

just 37 percent of 1990's peak of 1.39 trillion yen, the association said.

"The future remains very unclear, making it difficult to make forecasts," said Saburo Shimizu, Amada's managing director. "It could still be painful." Mr. Amada predicted sales in 1994 of 75.0 billion yen, down from 81.26 billion yen in 1993, and he projected a current operating loss of 2.2 billion yen.

Toyota Machine Works' forecast was more optimistic. The company projected a profit of 1.0 billion yen for the year ending March 31, with sales of 132.0 billion yen. Sales in the past financial year were 133.67 yen.

Amada spokesman also said the yen's appreciation against the U.S. dollar had hurt export sales, which account for about 20 percent of the company's overall revenues. Amada and Toyota are also instituting cost-cutting programs aimed at bolstering profits.

While some analysts say that the next half year looks grim in Japan, others forecast that the nation's economy would begin a slow recovery later this year.

### Citizen Watch Reports Drop in Profit

Citizen Watch Co. said Thursday its pretax profit fell 36 percent to 10.5 billion yen, in the year ending March 31, and it forecast flat earnings for the current year, Agence France-Presse reported from Tokyo.

Sales dropped 7 percent, to 234 billion yen for the year and are expected to fall to 215 billion yen this year, the company said.

## SCREEN: South Koreans Ready to Challenge Japanese Hold on Flat-Panel Display Business

Continued from Page 11

such screens, mainly personal-computer companies, already buy Korean memory chips.

"We have some strengths here," said Lee Sang Wan, executive director of Samsung's LCD operation and formerly a leader of its memory chip work. "We can use our memory chip infrastructure."

The United States government announced last month that it would encourage U.S. companies to build factories to produce flat-panel screens. The screens are viewed as vital for the military, in aircraft cockpits, for example, as well as for the commercial electronics industry.

American companies have the basic technology but have been reluctant to spend the hundreds of millions of dollars needed to build a large-scale screen factory.

But if the Koreans successfully break into the computer-screen business, it could lessen the resolve of the Americans to do so.

This is what happened in memory chips. In the late 1980s, some American computer companies were so worried about being too dependent on Japan for memory chips that they considered banding together to form an American D-RAM manufacturer.

They feared that Japanese companies, which also make computers, would withhold chips from U.S. computer companies or sell them at extremely high prices.

But after the Korean companies began producing the chips, prices dropped, and fears of overdependence on Japan subsided. Instead of being viewed as high-tech components that American industry

had to produce, memory chips are now seen by many U.S. semiconductor companies as commodities, best left to be produced by foreign companies willing to invest huge sums to earn meager profits.

If the purpose of having a U.S. flat-panel industry is to keep the Japanese honest and push prices down, the Koreans could probably accomplish that more quickly and at less cost to Washington.

The United States might still want its own screen industry to satisfy military needs, because screen production will be a rapidly growing high-technology business.

But flat-panel manufacturing, especially after the Korean companies enter, is likely to become a low-profit business like memory chips, the type that American technology companies dislike.

Even without the Korean competition, analysts expect the current shortage of active-matrix displays to give way to a glut in the next one to three years. Right now, because of the shortage, a 10-inch (25-centimeter) color screen can cost \$1,200, while a 14-inch screen costs \$1,000 to \$1,400.

But the Japanese companies, led by Sharp Corp. and NEC Corp., are pouring massive investments into increasing capacity. They see such screens, which now constitute a \$3 billion market, as one of the few fast-growing markets available to them.

International Data Corp. estimated that eight Japanese companies would invest \$3 billion to add capacity over the next few years. The company, which conducts market research, forecast that production would grow from about 1 million screens in 1993 to more than 7

million in 1996. It predicted supply would catch up with demand this year and screen prices would drop to \$600 to \$800 in 1995. Others said they thought supply would remain tight for a few more years because lower prices would result in a larger market.

With such a ferocious investment binge by the Japanese, it will take a long time for the Koreans to catch up, even with massive investment.

Goldstar, which plans to begin mass production in the middle of 1995, intends to make 500,000 panels its first year. That is a little more than Sharp, the world leader, expects to be producing each month in 1995. By 1997, Mr. Cho said, Goldstar plans to double production, to 1 million screens a year, and will have invested about \$600 million.

Samsung boasts that its screens will be brighter than those made by the Japanese. In general, however, Korean companies are not expec-

ting to beat Japanese technology. Rather, they will take the approach that served them well in memory chips — invest huge sums of money and try to beat the Japanese on price.

American companies, by contrast, are expected to try to leapfrog Japan by coming up with new technological approaches, perhaps an alternative to the active-matrix displays. These screens, which are essentially huge integrated circuits printed on glass, are notoriously difficult to manufacture.

Success in this business will not be assured for the Korean companies. One problem is that they will be dependent at first on Japanese components and manufacturing equipment. Having to pay for these supplies at prices that have been inflated by the rise of the yen will partly offset any cost advantage the Korean companies might enjoy.

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### TODAY'S REAL

# NASDAQ

Thursday's 4 p.m.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High Low Stock	Div	Yld	PE	1993	\$b	High	Low	Last	Chg
<b>A</b>									
17/2 4 AACN Is	.12		26	202	154	152	152	152	-1
30/15 ABT Bd			12	104	212	212	212	212	-1
24/4 ACDG Cr	.12		24	24	24	24	24	24	-1
44/24 ACK TC			14	14	14	14	14	14	-1
17/2 11 AES Chn			17	17	17	17	17	17	-1
15/14 AKS Seed			15	15	15	15	15	15	-1
21/14 APS Rd			15	15	15	15	15	15	-1
13/2 AST			13	13	13	13	13	13	-1
31/2 17/2 Acclaim			17	17	17	17	17	17	-1
15/14 ActionNet			15	15	15	15	15	15	-1
26/19 Adelphi			19	19	19	19	19	19	-1
17/14 Adelphi S			17	17	17	17	17	17	-1
11/2 AdvTec			20	20	10	10	10	10	-1
28/24 Aegis			28	28	28	28	28	28	-1
14/2 Aigut			14	14	14	14	14	14	-1
14/2 Aikin			14	14	14	14	14	14	-1
21/14 Alaris			21	21	21	21	21	21	-1
24/14 Alaris B			24	24	24	24	24	24	-1
17/14 Alaris C			17	17	17	17	17	17	-1
24/14 Alaris D			24	24	24	24	24	24	-1
17/14 Alaris E			17	17	17	17	17	17	-1
24/14 Alaris F			24	24	24	24	24	24	-1
24/14 Alaris H			24	24	24	24	24	24	-1
17/14 Alaris I			17	17	17	17	17	17	-1
24/14 Alaris J			24	24	24	24	24	24	-1
17/14 Alaris K			17	17	17	17	17	17	-1
24/14 Alaris L			24	24	24	24	24	24	-1
17/14 Alaris M			17	17	17	17	17	17	-1
24/14 Alaris N			24	24	24	24	24	24	-1
17/14 Alaris O			17	17	17	17	17	17	-1
24/14 Alaris P			24	24	24	24	24	24	-1
17/14 Alaris Q			17	17	17	17	17	17	-1
24/14 Alaris R			24	24	24	24	24	24	-1
17/14 Alaris S			17	17	17	17	17	17	-1
24/14 Alaris T			24	24	24	24	24	24	-1
17/14 Alaris U			17	17	17	17	17	17	-1
24/14 Alaris V			24	24	24	24	24	24	-1
17/14 Alaris W			17	17	17	17	17	17	-1
24/14 Alaris X			24	24	24	24	24	24	-1
17/14 Alaris Y			17	17	17	17	17	17	-1
24/14 Alaris Z			24	24	24	24	24	24	-1
24/14 Alaris AA			24	24	24	24	24	24	-1
24/14 Alaris BB			24	24	24	24	24	24	-1
24/14 Alaris CC			24	24	24	24	24	24	-1
24/14 Alaris DD			24	24	24	24	24	24	-1
24/14 Alaris EE			24	24	24	24	24	24	-1
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24/14 Alaris GG			24	24	24	24	24	24	-1
24/14 Alaris HH			24	24	24	24	24	24	-1
24/14 Alaris II			24	24	24	24	24	24	-1
24/14 Alaris JJ			24	24	24	24	24	24	-1
24/14 Alaris KK			24	24	24	24	24	24	-1
24/14 Alaris LL			24	24	24	24	24	24	-1
24/14 Alaris MM			24	24	24	24	24	24	-1
24/14 Alaris NN			24	24	24	24	24	24	-1
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24/14 Alaris GG			24						

# Layoffs by Michelin Come as Rude Shock to Company Town in France

By Marlise Simons  
New York Times Service

CLERMONT-FERRAND, France — Biendemont, that chubby, famous French mascot also known as the Michelin Man, has long brought good cheer to the people living at the foot of the volcanoes of central France.

The more maps and guidebooks he appeared on and the more tires his owners made, the more jobs for the people at the Michelin headquarters at Clermont-Ferrand.

Three years ago, Michelin became the world's largest maker of tires. But at the factory yards and around the bars here, no one remembers morale being so low.

This medieval market town that Michelin transformed into a prosperous industrial center over the last 100 years has been squeezed by the belt-tightening of its biggest business.

At Michelin's main plant here in the last decade, jobs have shrunk to 16,000 from 30,000. Most of the cuts were through attrition and buyouts, but hundreds have been laid off.

People whose entire working lives have been spent in the plant and who thought their jobs were secure have been told an increasing share of their work will be done by robots and other devices. The company's cradle-to-grave benefits, its clinics, schools and stores have been phased out. In France and across Europe, millions are

feeling the sting of industrial cost-cutting and automation. But unemployment in France, at 12.2 percent, is at its highest level since World War II.

The Michelin case is a stark example of the permanent changes that modern technology has brought to the workplace. Its unemployed workers are also victims of the shift of jobs from high-cost Western economies to developing countries.

Few cities have been as vulnerable as Clermont-Ferrand. Long dependent on one company, the townspeople have been shaken to discover that a century of paternalism could disappear in a few years.

"When things got bad everywhere else, people here said, 'Nothing will happen, not here. Michelin will save its people,'" said François Boisset, a local union leader.

"That's a big part of the problem. We grew up with the idea that we could do nothing without Michelin."

François Michelin, the enigmatic family patriarch and company chairman, has presented the shedding of jobs and drive for efficiency as part of a worldwide trend which, if anything, has come late to France.

Mr. Michelin, 67, the grandson of the company's founder, has compared the changes to previous upheavals in the region, like the time

earlier in the century when machines replaced horses on the farms and pushed the weavers out of the textile factories in nearby Lyon.

"Tires will never again be an industry of manual labor," he said at a rare, recent public appearance.

Explanations have done little to lift spirits. said Bernard Moulin, 40, a union delegate with 22 years as a cutter and molder at the plant. By way of demonstrating the company's local power, he led a visitor on a tour of the places that made up his Michelin life.

There was the maternity clinic, the Nine Suns, where most workers' babies were born, and the Michelin general hospital, where workers were treated or died. There were dentists' offices and even a sanatorium, all now in the hands of the government, which has taken over the services once provided by the company. He drove by the complex of Michelin schools, which used to hold 6,000 students, now turned over to the state.

"I went there from age 8 to 16," Mr. Moulin said. "I came out a carpenter and went straight to the plant."

His mother always bought food, clothing, furniture, even coal and firewood, at the company stores, where some prices were subsidized. Like his father, who worked at Michelin for 29 years, he has always lived in a Michelin-owned home. When his father died, Michelin made the funeral arrangements.

Today most such services have gone, except for a few day-care centers. "We have moved from the good old days of paternalism to a normal, cold capitalist enterprise," Mr. Moulin said.

The downtown has disheartened many young people who have tried in vain to find work with other local employers, whose plants make components for the aerospace, car and pharmaceutical industries. Many workers' children seem lost.

Florent, 23, was born in the Nine Suns clinic, grew up in a tiny Michelin apartment and wants his last name withheld to protect his father's job.

He lives on a bluff overlooking a Michelin castle of halls and chimneys, but for him the plant has been as unapproachable as Kafka's castle. Since leaving school, he has applied for jobs, was turned down, did his military service and applied again. On lucky days, he gets odd jobs as a cashier, night watchman or car washer.

"It gets harder to live with parents, but I can't afford to leave," he said, showing a small room that he shares with his two brothers.

At the kitchen table, he and his mother tallied the family budget: his father, a worker with 25 years at the plant, brings home the equivalent of \$1,170 a month. The rent, though

subsidized, eats up \$265. The remaining \$905 are spent quickly on heat, light, food and clothing for five people.

It makes Florent angry that he spends \$20 each month on photocopying envelopes, photographs and stamps, sending in job applications to companies that do not even reply. The last Michelin letter, saying there were no vacancies, came two months ago.

"I worry about Florent," said his mother. "He's starting to say he won't get up in the morning. 'What's the point?' he says."

Michelin's strategy for job and cost cutting varies widely at the 70 plants it operates in 15 countries, which has strong labor protection laws. The company plans to eliminate 5,000 jobs this year, mostly through attrition and voluntary buyouts.

At the Clermont-Ferrand plant, where the company has already shed 14,000 jobs in less than a decade, this means cutting 1,500 more places.

Company executives have said that recessions in the United States and Europe have depressed car and truck sales far beyond expectations. Further, economists said, Michelin's purchase of Uniroyal Goodrich in the United States in 1989 plunged it deep into debt.

These events may happen far beyond the horizons of this provincial capital, yet they have shaken the Auvergne highland.

"This city is the dynamic heart of a large rural region," said Jean-Yves Gouttebel, the deputy mayor. "So it inevitably affects the whole area."

Clermont-Ferrand had attracted immigrants for years; its population is now shrinking. Its 145,000 inhabitants are 15,000 less than in 1980. Shops and small businesses have closed. Some locals have retreated to family farms and many Portuguese workers have gone back to Portugal.

Some people bought out by Michelin have used their final payments to start small businesses, but few have succeeded.

One of Bernard Moulin's friends who left after 20 years at Michelin used his \$25,000 severance payment to open a hardware store. He lost the entire sum in two years. Another co-worker opened a small store in Nice but went broke and is now selling vacuum cleaners.

At the town hall, Mr. Gouttebel insisted that the city still had a bright future. With new highways and a high-speed train route now being built, the city will soon be a crossroads at the heart of France.

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# SPORTS

## Ho Hum or Hurrah, Orioles Sweep Jays

The Associated Press

Depending on which of the Baltimore Orioles was asked, their three-game sweep of the Toronto Blue Jays was either a coming-of-age milestone or no big deal.

To Mike Mussina, it was a sign of the Orioles' growing maturity.

"For the first time, we're believing that we're going to go out there and beat these guys," he said after scattering seven hits for his first complete game of the year, a 4-1 victory on Wednesday night that gave Baltimore its first sweep over Toronto in 12 years.

"In the past, we thought we could beat them," Mussina said.

But to his manager, Johnny Oates, it was too early in the season to mean much.

"It's three wins," he said. "That's all it is. It's three wins."

Whatever the case, it was another solid game by the Orioles, who trail the first-place New York Yankees by a half-game in the AL East after having won their fourth in a row and 11th in 14 games.

Harold Baines and Chris Hoiles homered, and Mussina struck out five and walked two.

The Orioles' last swept the Blue Jays in a three-game series on Aug. 30-Sept. 1, 1982. At the time, Oates was a rookie skipper in the Southern League; Mussina

was pitching for a Little League team, and Hoiles was entering his senior year of high school.

The Blue Jays' starter, Todd Stottlemyre, who was working on three days' rest, took his first loss of the year. He

### AL ROUNDUP

lasted 5½ innings, giving up seven hits and three walks.

"They did what they had to do," said Stottlemyre, who is 8-2 against Baltimore in his career. "They got a couple of balls they could handle and hit the ball out of the ballpark."

The game was tied, 1-1, in the sixth when Baines led off with his fourth home run of the season. Two batters later, Hoiles hit a two-run shot to left and it was 4-1.

"The last couple of years, they seem to be able to beat us in the late innings," Hoiles said. "They've broken our hearts in the late innings. This time, we were able to come back and beat them."

Stottlemyre, after agreeing with Oates or trying to fit his own moral, said: "The funny thing about this game is that you play 162 games. It's a marathon; it's not a race."

The Angels won the suspended game when Dwight Smith's single broke a 5-5 tie.

Cal Eldred gave up four runs in the first.

The Brewers had won their previous 16 games at Fenway Park.

Angels 13, Rangers 1; Angels 8, Rangers 6; Chili Davis hit two two-run homers and tripled as California took over first place in the West by routing host Texas after winning the completion of Tuesday's suspended game.

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# SPORTS

## RACING:

### Monaco Crash

Continued from Page 1

Wendlinger was given an intravenous injection on the scene and was treated for 15 minutes before being taken by ambulance to Princess Grace Hospital in Monaco. He was later moved to Nice, about 30 kilometers from Monaco.

Race organizers said a brain scan revealed that Wendlinger was suffering from head trauma, a contusion and cerebral swelling. The statement said he had no spinal or abdominal injuries.

"It seems there's a period of luck together and a period of unluck together," said another Austrian driver, Gerhard Berger, who had wrestled with thoughts of retirement after Senna's death. "And it seems the luck period is finished."

More arguments were sure to erupt about the safety of a sport in which speed and danger are the main attractions.

Formula One's governing body, the International Automobile Federation, reacted to the outcry following the deaths of Senna and Ratzenberger by making only minor adjustments to the Monaco circuit, changes that would slow the drivers in the pit area.

Both Senna and Ratzenberger, however, were killed when cars hit the concrete walls at curves in Imola, Italy, and nothing was done about on-track conditions.

In addition to the changes made by FIA, as the organization is known, the organizers of the Monaco Grand Prix made some revisions to their circuit. In the tunnel, the safety barriers were painted white and safety lights were installed at the curve where Wendlinger crashed.

Wendlinger, in his fourth year in Formula One, was tied for sixth in the current drivers' championship standings with four points. In his career, he had started 35 Grands Prix, with 12 points and no victories. His best finish was fourth, achieved three times, most recently at San Marino.

In contrast to the tragedies dogging the Grand Prix circuit, the first four days of practice for the May 29 Indianapolis 500 have been the safest in the track's history.

Seventy cars had been driven 6,930 laps — or 17,325 miles — at speeds up to 230 mph with only one minor accident as of Thursday. That accident occurred when Mike Groff's car slid in a patch of oil and hit the wall on Monday. The car, a Lola-Honda, suffered minor damage. Groff escaped with a bruised foot.

But Nigel Mansell, the former Grand Prix driver who has become a star on the IndyCar circuit, said he was still trying to shake the sense of grief and disbelief over the tragic death of his longtime rival, Senna.

"I can honestly say that the last week has been one of the saddest times in my career," Mansell said at the Indianapolis Motor Speedway.

"Mauricio Gugelmin and I had a little chat," Mansell said of the Brazilian IndyCar rookie, who had raced Formula One with Senna and Mansell.

Mauricio shared the same home as Senna for 10 years and I raced the last 10 years or more against Senna head to head," said Mansell, the Formula One champion in 1992 and the IndyCar champion last year. "I'm sitting here talking to you this morning and I don't really want to believe it has happened."

He said Senna's death had left a tremendous void in the motor racing world.

"I'd say the situation is dire, not just for Formula One, but dire for motor sports momentarily," Mansell said. "There isn't a driver that hasn't been touched by the horrible, tragic accident that happened last week."

Pole qualifying for the 500 will take place Saturday.

(AP, Reuters, AFP, LAT)



Emergency crews work to free Karl Wendlinger from his car after it hit the barriers as he braked going into a curve on the fastest part of Monte Carlo's street circuit.

## Suns, From 20 Points Down, and Knicks Rally for 2-0 Leads



Patrick Ewing stole the ball from Scottie Pippen as the Knicks stole another game from the Bulls in New York.

## Els Leads in Spanish Open, Olazábal's Manager Caddies

The Associated Press

MADRID — Ernie Els of South Africa roared a hot putter to a 5-under-par 67 Thursday and a one-shot lead after the first round of the Spanish Open.

Els' putts of 45 feet (13 meters) and 20 feet in carding seven birdies over the par-72, 6,978-yard (6,355-meter) Club de Campo in Madrid.

McNulty of Zimbabwe shot 68 to share second place with Steven Richardson and Peter Mitchell, both of England. Masters champion José María Olazábal turned in a 71 for the round and his Spanish colleague Seve Ballesteros had a par-72.

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(AP, Reuters, AFP, LAT)

## SCOREBOARD

### Major League Standings

#### AMERICAN LEAGUE

##### East Division

##### West Division

#### NATIONAL LEAGUE

##### East Division

##### Central Division

##### West Division

### Wednesday's Line Scores

#### AMERICAN LEAGUE

##### East Division

##### West Division

#### NATIONAL LEAGUE

##### East Division

##### Central Division

##### West Division

### Wednesday's Line Scores

## In Golf, Dad's Success Can Handicap the Son

New York Times Service

NEW YORK — Does the father's success spoil the son's initiative? Apparently so, if the sons of famous golfers are to be believed.

In the May issue of *Golf Digest*, a fascinating study of sons of great golfers elicits some telling quotes from the progeny.

Wayne Player, son of Gary Player, says about Gary Nicklaus, son of Jack Nicklaus:

"He's never given all kinds of things. Like me, he's never really had to suffer, and when tough times come along, maybe you don't hang in there like some other guys."

Gary Nicklaus on Gary Nicklaus:

"I know this is not what my dad and mom would like to hear, but it's not the end of the world if I miss a cut. I can still pay my bills."

My father has set all of us up in a way that we really don't have to worry. I thank him for that, but at the same time, if I said it didn't make a difference, I'd be lying."

Ernesto Pérez, son of José María Olazábal, manager of Sergio Gómez, carried his bag around the course.

"Dad is not caddying because his daughter's in the hospital and the other reasons are private and I have to talk to him," Olazábal said following the round.

Dave Renwick, a Scot, has been Olazábal's caddie almost since the 28-year-old Spaniard's first professional tournament, in 1986.

Reportedly, the run-in over money is at least their third such dispute in the last few years.

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## OBSERVER

## Wallowing in Sex

By Russell Baker

**N**EW YORK — Because it was Topic A in the weekend section I wrote a column on the latest sexual harassment charges, which was a waste of four good hours. After reading the finished opus, I recited.

With all the solemnity of a papal bull I had weighed the significance of the ineffable Bobbits, of Anita Hill's story about Justice Thomas, of Gary Hart's destruction by a righteous press and much more that was extremely important, not to mention grave and vital to the American soul.

Rereading this screed with its straight-faced discussion of primary and secondary sex characteristics and indifference to the marriage vows was an appalling experience.

Was it for this sort of prurient piffle that Nathan Hale defied the hangman that George Washington's men suffered at Valley Forge, that Madison and Hamilton shaped a new republic?

Since 1865 Lincoln has belonged to the ages. Rereading my discussion of America's descent into the steamy fen of Utter Vulgarity reminded me of Groucho Marx asking why he should pay good money to belong to a club that let in only monogamous folks wandering this cultural Sodom and Gomorrah feel positively friskish, if not distinctly embarrassed by their unorthodox sexual proclivities.

Yet let some high-profile politician be caught at the deer or even accused of it, and public shock suggests that adultery is the most unheard-of thing America has ever heard of, except for women being subjected to lewd innuendo and proposals by ill-mannered and possibly menacing men.

The national passion for turning everything into a lawsuit then provides press, television and public with cover for much licentious shop-lifting as senators, lawyers, editors and learned columnists weigh the evidence ad nauseam.

Thus Judge Clarence Thomas accused by Anita Hill and President Clinton accused by Ms. Jones must inevitably be held up to humiliation in press and television to gratify a sex-drenched society's passing delusion that it is not sex-drenched at all, but purer than Hester Prynne's home town.

The details put before the millions, strictly in the cause of finding truth and doing justice of course, are of vulgarity that Americans used to outrun at about the age they were finishing high school.

And there they all are — senators, lawyers, political giants, great editors, brilliant columnists — all poring over these evidences that sexual foolishness has been amok in our land. Horrors!

The slightest suggestion that many a sexual harassment complaint is not so grave as a charge of treason may provoke crushing rebuke from the forces of moral and social uplift. So when another one comes along, as with Ms. Jones's allegations against the gubernatorial Bill Clinton, my writing mechanism goes automatically into grim mode and cannot be reset until it has deplored every sexual farce on the horizon.

Virtually every magazine on the newsstand, every book in the drugstore, half the stories in the tabloid press, vast quantities of television entertainment and movies galore depict sexual philandering as a common and casual pastime. The result can only be that any monogamous folks wandering this cultural Sodom and Gomorrah feel positively friskish, if not distinctly embarrassed by their unorthodox sexual proclivities.

Painting and drawing were in fact Cartier-Bresson's first loves and, although his "candid" photographs of Paris and of China, India, the United States and Mexico brought him fame, he always considered photography to be a parenthesis in his life. When he returned to drawing in 1972, it was like going home.

Surprisingly, though, his reputation as one of this century's master photographers continues to shadow him. And through Sept. 4, the International Center of Photography in New York is honoring him with an exhibition of 40 of his black-and-white photographs called "Henri Cartier-Bresson: Hommage."

"It's a sort of obituary," he said with a laugh. "I'm very grateful to my friends. I still make my living by selling prints to collectors. But I've been drawing now for 20 years. So photography? It's all right, everyone talks about photography. I spent 50 years taking pictures, but how many did you look at for more than three seconds?" Maybe 50? 100? It's about all.

Cartier-Bresson's doctor forbade him to travel to New York for the opening of the exhibition and to receive one of the center's 1994 Infinity Awards next Monday. But although he underwent heart surgery last year, his energy and alertness suggest he has other reasons to be absent.

"To meet hundreds of people upsets me very much," he explained, speaking the fluent English he learned from Irish and English nannies as a child. "I spent all my life trying to be unknown, to disappear, to be able to observe. And now . . . Degas said it is wonderful to be famous as long as you are unknown."

Certainly, he was able to take intimate photographs of what have become known as "decisive moments" because he could blend into the crowd or watch a scene as

PARIS At the age of 85, his bright blue eyes still twinkling with mischief, Henri Cartier-Bresson continues to enjoy playing the rebel. So it seemed quite in character that arguably the most famous photographer alive today should announce that he wanted to talk about drawing.

"I've never been interested in photography per se," he said. "I don't know anything about photography. I'm interested neither in my photographs nor those of others except close friends. For me, photography is instant drawing. My real obsession is drawing."

His neat studio in the heart of Paris confirms as much. Drawings cover its walls and tables, while the only visible photograph — of a delft-looking Mexican revolutionary awaiting execution by firing squad — is not by him. "I draw all the time," he said. "Would you like to see what I've been doing?"

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make sketches. Photography seemed right for seeing what was happening in the world."

Before doing so, Cartier-Bresson and two colleagues, Robert Capa and David Seymour, both later killed on assignment, founded the Magnum Photo Agency as a way of "being independent and not being servants of anyone," as he put it. He then left Paris for long stays in India, where he covered its move to independence, and in China, where he recorded the Communist takeover.

The excitement of those days has stayed with him. "Everything for me culminates in the minute; no, not in the minute, in the second, in the second and eternity," he said. "It is a tremendous joy to be there, the physical feeling of being on the crest of a wave with a camera the size of your hand."

"The advantage of photography is that you're in contact with reality," he went on. He then caught himself: "I won't use that word 'photography.' To hell with it. But reporting means you go and poke your nose in things; you participate, you're there. The sweat comes out of your camera."

Beyond that there was nothing to explain, he said. "I'm formed by surrealism. Not Surrealist painting, but by what comes out of yourself, the unconscious. When you press the shutter, you don't know why. Cézanne once wrote, 'When I'm painting and I start to think, everything collapses.' And he was so right."

Today, Cartier-Bresson likes to spend his days drawing in his studio, from the windows of his apartment (overlooking the Tuilleries Gardens), which he shares with his wife — the photographer Martine Franck — and his 22-year-old daughter, Mélanie, or in the nearby Louvre Museum where, he noted proudly, he can sketch for 45 minutes without getting cramps.

Yet for all his claims, he has not abandoned photography. "Yes, I still do portraits of friends and people I meet," he admitted. "But not in the studio. I like to shoot the animal in his hole. In a portrait, I'm looking for the silence in somebody. For me, the passion is to look, to look, to look."

Later, as he strolled swiftly through central Paris, using a walking stick more as a weapon for stopping traffic than as support, it was also evident that he still "sees" photographs. "Look at those faces," he said, nodding toward two men standing on the sidewalk.

So would he shoot them?

"In the street, never."

So why was he carrying his camera? He laughed his infectious laugh and held up his tiny Leica.

"Just in case," he said. "You never know."

## PEOPLE

Musical Off-Hours  
Heathcliff on Hold

CBF Richard says he is poised "Heathcliff" for \$7.5 million unless Emily Blunt's "Heights," despite last-minute advance booking, opens Nov. 18, instead of November, has been postponed. Instead, Richard will play to the laughs in "Top Gun," where the show was taped.

The House of Lords' attempt to banish Buckle's last long-leash photo of Prince Charles kissing his girlfriend, Sophie Johnson, at the royal family's estate. The palace committee watching Press Complaints over the photos published papers. The editor of the *Telegraph* has apologized to the old prince and admitted privacy rules.

Richard has increased the value of his estate to \$4 million since his success as the royal's agent and accepted the price of his obsessive pursuit of these interest and investment.

A rare glimpse of a heartbroken William Powell, spurned by Marlene Dietrich, daughter of a shipowner now being offered in seven new auctioned this week by Christie's London. Wilson rejected the child's offer of marriage when he was 30.

Clint Eastwood, coming president of the Cannes festival, will star in the film *White Squall* with James Woods. The big Madison County.

A jury has rejected a \$100-million lawsuit against Tom Hanks' son, Arnold, accusing him of rape, assault, and rape at a psychiatric hospital in California.

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